

# The Political Forum

*A review of social and political trends and events  
impacting the world's financial markets*

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### WHELPING THE DOGS OF WAR, PART II

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I arrived in Washington from Iowa, via South Dakota, in October 1963, and had just taken my first full-time job writing for a chain of health care newsletters when Jack Kennedy was assassinated. Since then, I have witnessed, as a paid observer of the Washington scene, the birth of Johnson's "Great Society," the civil rights movement, the war in Vietnam, the Watergate scandal, the Carter "malaise," and what I call the "Reagan miracle."

Each of these events was, in my opinion, a watershed in U.S. history, because each profoundly changed American attitudes toward and expectations of their society, their government and their politicians.

I have never viewed the Clinton scandals, even the historic impeachment, in this same light. I think that the ethical and moral corruption that has marked the Clinton presidency, and the public ambivalence toward it, is not so much a turning point in U.S. history as it is an inevitable consequence of a steady decline in respect for traditional moral and ethical norms that began in the 1960s. It is, I think, just another mile marker on the road to decay.

Recently, however, I have come to believe that the theft of nearly all of America's most sensitive nuclear weapons technology by China, along with dozens of other illicit technology acquisitions from other sources within and around the Clinton administration, will come to be regarded as a major historic watershed, an event that profoundly changed not just U.S. history, but world history as well.

Technology buffs maintain that the Internet will be the driving force for change in the 21st century. This may be true, but the theft by the Chinese of a vast array of U.S. military secrets, has, in my opinion, given wings to the other side in the "race between education and catastrophe" that H.G. Wells once said was the focus of human history.

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Yes, the world will have untold technological surprises delivered directly to their PCs via cyberspace in the 21st century. But in “realspace,” other, more deadly technological wonders are spreading like a virus, with consequences of a more ancient kind.

In “realspace,” the military technology that the Chinese stole will allow them to quickly approach nuclear parity with the United States, and thus be in a much stronger position to challenge American interests in Asia, beginning with Taiwan’s independence. Just as importantly, there is, in my opinion, little question that this material will eventually, if it hasn’t already, fall into the hands of numerous third world nations that are avowed enemies of both the United States and some of its closest allies, including Israel.

Many of the most sordid details of the Chinese espionage efforts will never be known, or made public if they are. In fact, the Clinton administration is desperately fighting at this moment to prevent the release of even a highly sanitized Congressional report on the matter by a select House committee chaired by Rep. Chris Cox (R, CA).

But some frightening facts have leaked, most especially in the *New York Times*, which recently reported that the Chinese have just stolen neutron-bomb secrets to go along with such previous grabs as America’s most advanced miniature nuclear warhead, supercomputers, jet engines, telecommunications equipment, and sophisticated machine tools.

*Newsweek* recently quoted a “U.S. official close to the investigation” as saying that “the Chinese penetration is total.” Chinese agents, this individual said, “are deep, deep into the [American nuclear] labs’ black programs.” And Paul Redmond, who has been widely described as the CIA’s former “chief spy hunter,” was quoted recently as saying that China’s nuclear espionage would prove to be “just as bad as the Rosenbergs” and “far more damaging to the national security than Aldrich Ames.”

So how did this happen? Who is to blame? A casual observer might argue that it doesn’t matter; that the horse is already out of the barn, so to speak. Put a new padlock on the door and move on. In a conventional espionage situation, this might be sound counsel. But a closer look at the massive Chinese infiltration of America’s most secret places reveals that the problem can’t be fixed that easily. It does no good to fix the barn if the people in charge do not care whether the horse gets out or not. New padlocks are not the answer.

To switch metaphors now, I believe this situation demands daylight because it stems, in my opinion, from a rot that has been eating away at American society since the 1960s.

These thefts didn’t occur, as most often is the case in espionage matters, because an individual sold out to a foreign power, either out of anger or for money. Nor were they the result of the efforts of a single highly successful, well placed foreign agent, or small group of agents. And most importantly, in my opinion, they were not “the kind of thing that could happen in any administration.”

These thefts were the result of a massive, espionage assault by the Chinese on multiple targets within and around the Clinton administration by dozens of agents and assets. And the evidence strongly shows, I believe, that the success of these efforts, on such a wide variety of targets, was

made possible by the fact that many of the highest offices in such agencies as the Departments of Justice, Commerce, State, Energy, the FBI, the CIA, the White House, the National Security Council, and the fund raising arm of the Democratic party were filled by Bill Clinton with a conglomeration of crooks, incompetents, political hacks and fools, who, while motivated by a variety of factors, shared a 1960s affinity for “political correctness” and disdain for “things military.”

In short, as I said in these pages last July, it looks increasingly to me as though “the dogs of war are being whelped . . . by a Clinton foreign and defense policy that has been marked by a deadly combination of neglect, timidity, stupidity and cupidity.” I should say here that I am not blaming Bill Clinton exclusively for this national security catastrophe. It wouldn’t have happened without him and his Democratic cheerleaders on Capitol Hill, of course. But it also couldn’t have occurred if the Republican Party congressional ranks weren’t marked by ignorance, willful blindness, political cowardice and individuals whose moral and ethical conduct made them vulnerable to White House “persuasion.”

It is ironic, I believe, that today, as the nation’s newspapers scream forth with new revelations about the Clinton’s crowd’s lax handling of America’s most powerful nuclear weapons, Congress is debating whether to increase the investigations required of individuals who wish to buy handguns. Where, I wonder, were these advocates of keeping weapons out of the hands of dangerous people when they were required to run a comprehensive check on whether the hapless Hazel O’Leary, should be given the keys to the Department of Energy and thus be placed in charge of the most powerful weapons the world has ever seen?

Too strong? Well, maybe so. I know I can’t thoroughly support these contentions in one article. But I will work on it as the year goes on. And in the meantime, I will close with a few quotes from a variety of sources that I think will begin the process of explaining why I believe that the Chinese theft of America’s military secrets will change the world in a profound way, and why I believe that the cause of this debacle is worth studying.

I will begin with a quote from a recent syndicated column by Mona Charen entitled “Other High Crimes.”

Each day’s *New York Times* brings fresh news of simply jaw dropping breaches of national security. The “legacy codes” for our nuclear missiles, which permit reverse engineering, are now in the hands of the Chinese. So is the radar technology that protects our submarines. When Mr. Clinton came into office, China possessed about 20 unreliable ICBMs capable of hitting the United States. As *Newsweek* described it: “When the CIA showed the [stolen] material to a team of top nuclear weapons experts, they ‘practically fainted.’”

Despite evidence of potentially grievous security breaches, the Clinton administration continued to press for cooperation with the Chinese, dismissed evidence of spying, refused to prosecute or even remove a key suspect, Wen Ho Lee, and helped a Democratic Party donor obtain an export license for the sale of sensitive military technology to China. Mr. Clinton also personally appointed John Huang to a sensitive

Commerce Department post when, members of Congress charge, he committed economic espionage.

Next I'll turn to a *Wall Street Journal* op-ed piece by military expert Mark Helprin entitled "Senate Vote Sets Benchmark For Cowardice."

China wants a free hand in Asia, but is checked by American nuclear predominance and naval superiority. To overcome these it must build a blue-water navy, which it is doing, and augment its nuclear forces to the point where they are powerful and survivable enough to neutralize even far greater American capabilities. To do so, they must keep missiles at sea in relatively invulnerable extended bastions within range of the entire U.S. And for this they must have multiple independently targetable re-entry vehicles (MIRVs) so they can triple the power of their arsenal and make economical the portage of missiles in submarines.

Although they cannot do it themselves, to succeed they must miniaturize their warheads to pack them into sea-launched missiles, they must master the complicated carry-and-release system known as the bus, and they must have the machines tools to craft such things and the knowledge of composites and ceramics to design nose cones to shield them. As they are signatories of the Comprehensive Test Ban Treaty, they must rely upon supercomputers for the design and simulation testing of their miniaturized warheads. President Clinton overruled various agencies and allowed the Chinese these computers, as he allowed them previously restricted machine tools from a defunct McDonnell Douglas production line in St. Louis, and as he intervened to protect the provision of American instruction in launching multiple communications satellites on one rocket: i.e., transferring the fundamentals of MIRVing and bus design.

Next I'll turn to a statement by Senate Intelligence Committee Chairman Richard Shelby.

There's no doubt in my mind that U.S. missile technology was indeed transferred to China. Regrettably, we also helped the Chinese improve their military space launch systems, which contributes to their communications and reconnaissance capabilities that could be used against the U.S.

Officials within the Administration, I believe, and certain U.S. aerospace companies joined in a conspiracy of carelessness and recklessness that allowed unlicensed, unauthorized transfers of technology. We left the door open for the PRC to abscond with a lot of our most advanced space technologies, and we may never know the full extent of what they got. Perhaps the most dangerous thing we found is that we gave them a lot of known-how from some of 'America's finest aerospace engineers.

The following is from an editorial in the May 7, 1999 *Washington Times* entitled "We Like Your President."

Meanwhile, it is now quite clear, while China was stealing U.S. nuclear secrets, the White house and the Commerce Department were aggressively transferring dual-use technology to China, including super computers capable of testing stolen nuclear-

weapon design information. In March 1996 President Clinton himself overruled then-Secretary of State Warren Christopher's decision to retain control within the State Department of satellite exports to China. Against the advice of the Pentagon and U.S. intelligence agencies, the President transferred that authority to Commerce. Two months after that decision, the Loral space-launch firm was involved in the unauthorized transfer of missile guidance-and-control technology to China. Loral's chairman, Bernard Schwartz, had actively lobbied the administration to switch satellite-export licensing from state to Commerce while he was pouring money into the Democratic party.

In effect, while China was actively engaged in nuclear espionage, Bill Clinton's political sugar daddy, was engaging in the unauthorized transfer of the technology to launch from the same missile several of the smaller, improved warheads at different targets.

And here's what a *Wall Street Journal* had to say in a recent editorial.

In February 1996, Charlie Trie escorted mainland Chinese arms merchant Wang Jun to a White House reception for donors. A month later, China fired missiles over the Taiwan Straits to intimidate the island nation during democratic elections. Also that month, President Clinton approved the transfer of satellite-export licensing from the State Department to the Commerce Department, over state's objections. The transfer had been sought by, among others, Loral Space & Communications Chairman Bernard Schwartz, a major Clinton donor.

In August 1996, Clinton donor Johnny Chung would meet in a Macau abalone restaurant with General Ji Shengde, the head of China's military intelligence. According to Mr. Chung's testimony, General Ji provided him with \$300,000 to donate to the Clinton-Gore campaign and the Democratic Party.

And here are some thoughts from a recent *Washington Times* editorial entitled "Anyone for nuclear secrets?"

It's worth recalling that in 1997, while President Clinton was pursuing his "strategic partnership" with China, not only was the FBI investigating Chinese nuclear espionage but congressional committees and an incompetent Justice Department task force were investigating Mr. Clinton's 1996 re-election campaign and the Democratic Party for receiving laundered money from the Chinese communist government. Miss Reno repeatedly refused to seek an independent counsel, despite a 1997 recommendation to do so by FBI Director Louis Freeh. Meanwhile, her deputy and other Justice officials were refusing to act on FBI requests to obtain wiretaps that would have uncovered Mr. Lee's unauthorized downloading of the secrets of 50 years of U.S. nuclear-weapons development.

Normally, the Justice Department favorably responds to FBI requests for such wiretaps in 99.9 percent of the 700 or so requests it receives each year. Why the issue of Chinese

nuclear espionage was given a free pass by Justice wiretap gatekeepers is worth knowing.

The FBI finally discovered the downloaded computer code after searching Mr. Lee's office computer last month. Within days of his March 8 firing and after he failed a lie-detector test, Mr. Lee gave the FBI permission to search his office computer. Amazingly, however, even after the FBI made its startling discovery, the Justice Department delayed seeking court-ordered approval to search Mr. Lee's house. That search was finally conducted April 10, more than a month after Mr. Lee was fired.

I'll now turn to an article in the December 1996 issue of *The American Spectator*, which has been in the lead on this story from the opening days of what came to be known as the Lippogate scandal. This was when the sleazy connections between the Clinton White House and highly "generous" Chinese "businessmen" and "businesswomen," first became apparent. This article was entitled "John Huang's Bamboo Network," and was written by James Ring Adams. For a rundown on this period, I would recommend rereading a piece Steve and I wrote in November 1996 entitled "Congratulations Bill! Welcome to "Lippogate."

A public interest ethics group called Judicial Watch has had the Commerce Department in federal court for nearly two years on a Freedom of Information suit for records the group thinks will show that Ron Brown's export promotion trips were fundraising tools for President Clinton. In mid-October, Judge Royce Lamberth ordered Huang and another former Commerce aide, Melinda Yee, to give depositions. But Judicial Watch ran into a stone wall in subpoenaing Huang. The DNC refused to give out his address. Assistant U.S. Attorney Bruce Hegyi told the judge that his office didn't have the time to find Huang. Even Huang's lawyer, John C. Keeney Jr., dropped out of sight. (Keeney is the son of the head of the Justice Department Criminal Fraud Division, profiled in the March 1996 TAS [*The American Spectator*] for his role in giving the run-around to the RTC's original criminal referrals on Madison Guaranty and James McDougal.)

A more recent issue of *The American Spectator* (May 1999) contained an article by the person who I consider to be the nation's leading expert on the subject, Kenneth R. Timmerman. Mr. Timmerman, recently called "one of the experts read by other experts," by Liberal New York Times columnist A.M. Rosenthal, had this to say in an article entitled "Red Star Over Washington." I believe this excellent article should be required reading for every American, most especially those with children or grandchildren who might be of fighting age in a few years.

The case of Wen Ho Lee, who allegedly compromised the secrets of the W-88 warhead used on our Trident missile system, is not the only one in which the Clinton administration's cavalier attitude toward nuclear weapons and national security has encouraged spying. In December 1997, another Taiwan-born scientist working in a U.S. nuclear weapons lab, Peter Lee, pleaded guilty to giving the Chinese the secrets of a highly specialized laser plasma system used to test nuclear weapons. The system is considered crucial to maintaining the viability of the U.S. nuclear Weapons stockpile, now that the major nuclear powers have agreed to a moratorium on nuclear testing. Until the invention of the laser system, the U.S. had to actually detonate nuclear

weapons from the stockpile to ensure that they worked. “This system gives China the means to test new weapons and to validate their designs, without anyone having a clue to what they are doing,” a former U.S. intelligence officer told TAAS. For his crime, Peter lee was fined \$20,000 and sentenced to 12 months in a halfway house, from which has since been released. . . .

In the same issue of *The American Spectator*, John B. Roberts II had this to say in an article entitled, “Nuclear Secrets and the Culture Wars.”

In December 1993, [DOE Secretary Hazel] O’Leary declassified 204 previously-secret nuclear tests just before traveling to Russia. The secretary justified disclosing the secret tests in order, as she put it, to “expose the impact of the Cold War, both in terms of environmental health and safety impacts and also impact on, if you will, the psyche of the nation.” According to a *Washington Post* account from December 8, O’Leary’s goal was to expose secrets from “an unresponsive bureaucracy wedded to a bomb-building culture.”

And speaking of O’Leary, the following is an exchange between John Browne, Director of the Los Alamos National Laboratory; Bruce Tarter, Director of the Lawrence Livermore National Laboratory; Paul Robinson, Director of the Sandia National Laboratory; and Senators Bunning (R., Ky.) and Nickles (R., Okla.) at a recent hearing before the Senate Energy and Natural Resources Committee.

Sen. Bunning: Last question before you all – I heard something about colored badges, and access.

Mr. Browne: Right.

Sen. Bunning: And it was explained to me that one of the people in control of a certain section of the DOE, and I’m not going to bring that person’s name up, thought it was kind of demeaning to have different colors for different access, and therefore everybody got the same color. Is that accurate or inaccurate?

Mr. Browne: I don’t know the motivation for changing it. It was changed to a single color. And it was something that we all, I would say at our laboratory, and I think it’s true at the other two laboratories, wish that it had not happened.

Mr. Robinson: And it’s been changed back.

Sen. Bunning: It’s being changed back.

Mr. Tarter: There was opposition by all the laboratories to that.

Sen. Bunning: And you let it – because it was a high-level ranking official in DOE, it was let go?

Mr. Browne: The DOE controlled – it’s their decision.

Sen. Don Nickles: Mr. Chairman, thank you. And to all of our directors, thank you very much for your participation. And to follow up on the last question by Sen. Bunning, all directors opposed this changing of the color code, and I guess the color code would designate what type of access — whether you're classified, not classified, secure — and that was opposed by all the directors, but yet at that time, Energy Secretary said no, we're going to change the policy, is that correct?

Mr. Tarter: It was changed.

Sen. Nickles: By Secretary O'Leary?

Mr., Browne: That's our understanding.

Sen. Nickles: And it was changed back then? When did you reverse that?

Mr. Browne: We're in the process now.

Sen. Nickles: Did that jeopardize security? Did going to one color, or eliminating that difference of color, did that jeopardize security?

Mr. Browne: it made it more difficult to easily, visually, observe whether a person had a clearance. You had to be able to observe a number on a badge, as opposed to before it was the color of the badge.

Sen. Nickles: So, was that a yes?

Mr. Browne: Yes, it makes it more difficult.

Finally, I close with a line from a April 8, *Washington Times* piece entitled "Clinton Dismisses China As A Threat."

President Clinton yesterday dismissed as "caricature" the view that China is a threat to the United States and warned that anti-Chinese rhetoric by presidential challengers to Vice President Al Gore could start a new Cold War.

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NOTE: Several of the stories above mention Wen Ho Lee, a Taiwanese-American scientist who worked at Los Alamos Laboratory, was fired for downloading nuclear secrets, and was initially charged with spying for the People's Republic of China. Most of the original charges against Lee were dropped. He eventually pled guilty to a lesser charge of improper handling of restricted data. In June of last year, Lee won a settlement from the United States government (\$900,000) and five media organizations (\$750,000) for violations of his privacy related to the leaking of his name to the media.

#### THE POLITICAL FORUM

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