

"China funds" charges against Clinton

## A new phase in Washington's political warfare

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A new front has been opened up in the political warfare in Washington, with claims by congressional Republicans that the Clinton administration agreed to reverse US policy on the export of satellite technology to China after large campaign contributions from aerospace companies and the Chinese government itself.

The Republican charges are based on press accounts, mainly from the *New York Times*, and on leaks from the US Justice Department, which is conducting a criminal investigation of possible Chinese government efforts to influence the 1996 presidential and congressional elections, including funneling contributions into the campaigns of particular candidates, among them Clinton.

Two aspects of the most recent revelations bear examination: the influence on Clinton administration policy of Loral Corporation and Hughes Aerospace, and the reported testimony of Johnny Chung, a Taiwanese-American businessman who gave a total of \$366,000 to Democratic Party campaigns in 1996.

In the case of Loral and Hughes, the issue was a US government policy, enacted after the 1989 Tiananmen Square massacre, which limited exports of satellite technology to China and required a specific presidential decision to permit American satellite manufacturers to use Chinese rockets as launching vehicles to place their satellites in orbit.

After the Clinton administration initially denied permission for such satellite launches, Loral Corporation Chairman Bernard Schwartz became the largest personal contributor to the Democratic Party, giving more than \$600,000 for the 1996 campaign and another \$421,000 for the current 1998 campaign.

His contributions were not in vain. In February 1996 Clinton gave approval to four launches of US-built satellites using Chinese Long March missiles. A month later the authority over such deals was transferred from the State Department, which had opposed the launch approval, to the Commerce Department, which was committed to promoting US corporate access to the lucrative Chinese market.

Notwithstanding the expressions of shock and indignation from various politicians and media sources, the role of Loral and Hughes Aerospace is typical of the everyday *modus operandi* of American capitalist politics. Big corporations give money to their political servants in Washington, and they expect their interests to be looked after in return. Nothing as crude as bribery for a specific decision need take place, since the normal workings of a system well-lubricated with corporate cash insures that the "right" outcome will occur.

The Republican Party is just as slavish as the Democratic Party in carrying out the dictates of American big business, and it has been even more successful than the Democrats in raking in corporate cash. But the Loral case provides an opportunity for a new politically motivated attack on the Clinton administration, one which has been sensationalized even more by combining it with the story of Johnny Chung, a Los Angeles businessman who fled to China last year to avoid a subpoena, then returned to the United States earlier this year.

Chung pled guilty in March to charges of bank and tax fraud related to his activities in laundering campaign contributions to the Democratic Party. While he was the nominal donor, he was serving as a front man for foreign contributors who could not legally give

money to an American election campaign.

Chung has reportedly told federal investigators he funneled nearly \$100,000 from a Chinese military officer to President Clinton's reelection campaign. The officer, Lieutenant Colonel Liu Chao-ying, is a top level Chinese aerospace executive and the daughter of Liu Huaqing, who recently retired as China's top military commander and remains a member of the Politburo, the ruling body of the Chinese Communist Party.

It is a significant fact, although little noted in the press, that the FBI is the likely source of the account of Chung's testimony. FBI Director Louis Freeh publicly opposed Attorney General Janet Reno last year when she rebuffed appeals from congressional Republicans to appoint an independent counsel to investigate campaign finance allegations. Freeh has made a point of distancing himself from Clinton, his nominal boss, while cultivating relations with Republican leaders in Congress.

The Republicans have made an amalgam of the Chung and Loral cases, suggesting that the Clinton administration sold out US national security in return for campaign contributions, giving China access to technology which will be used to improve the targeting of Chinese nuclear weapons against the United States.

House Speaker Newt Gingrich declared: "If the President does not act quickly and decisively, my presumption is that we have a genuine breach of national security for corrupt political purposes." He called on Clinton to cancel his trip to China, set for late June, unless the matter is cleared up.

The latest charges add a whiff of McCarthyism to the scandalmongering which now dominates Washington political life. One Republican congressman, Dana Rohrabacher of California, described the Clinton administration as "treasonous," while *New York Times* columnist William Safire reached a new peak of hysteria in a column in which he wailed, "How soon we have forgotten Pearl Harbor."

There is hypocrisy and cynicism on all sides in this latest round of political warfare. It was the Bush administration which first granted a waiver to China allowing the launching of US satellites on Chinese rockets, only two years after Tiananmen Square. It was then the Democrats who denounced the decision, with Al Gore, the party's vice-presidential candidate,

branding Bush "an incurable patsy for these dictators."

It is also little noted that while it is illegal under US law for foreign governments to make financial contributions to American political parties and candidates, the reverse is not the case. It is perfectly legal for the American government to finance right-wing political parties and even buy elections overseas, a practice that has long been a staple of American foreign policy, with the cash usually delivered by the CIA or State Department.

The notion that the Clinton administration was "bought" by China for a \$100,000 contribution is of course absurd. Even if China was the source of the money donated by Chung, this was a drop in the bucket for a campaign in which the Democratic Party and Democratic candidates spent more than \$1 billion, while the Republicans spent nearly twice as much. Beijing simply cannot compete with the vast sums poured into both parties by corporate America.

In the final analysis, the "China missiles" story is only the latest, but undoubtedly not the last, in a series of political provocations aimed at destabilizing the Clinton administration and creating the conditions for its ouster. While Clinton has faithfully responded to the political dictates of corporate America, slashing welfare and other social programs, he has still not gone far enough to satisfy important sections of the ruling class.

Powerful and extremely right-wing forces are at work seeking to push Clinton out of office and replace him with a regime which will go even further in attacking jobs, living standards, social programs and the democratic rights of the working class.

The issue which must concern working people is not the fate of Clinton, who is a political instrument of big business, but the necessity to make a class analysis of the ongoing political crisis and build an independent movement of the working class which can provide an alternative to the present corporate-controlled political system.



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