

## CHINESE ESPIONAGE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 6, 1999, the gentleman from Indiana (Mr. BURTON) is recognized for 60 minutes as the designee of the majority leader.

Mr. BURTON of Indiana. Mr. Speaker, I rise to address the issues of Communist China's efforts to steal our most advanced nuclear secrets, their funneling of illegal contributions to President Clinton's 1996 reelection campaign, and how the Clinton administration, either intentionally or through incompetence has irreparably damaged and compromised the security of every man, woman, and child in the United States.

Mr. Speaker, last summer during President Clinton's trip to China, Jiang Zemin, the President of China, told him that he had no involvement in campaign fund-raising in the United States; and President Clinton took his word for it.

In that July 2, 1998, press conference, President Clinton said, "They looked into that, and he was obviously certain, and I do believe him, that he had not ordered or authorized or approved such a thing, and that he could find no evidence that anybody in governmental authority had done that," giving illegal campaign contributions to the Democratic National Committee or the President's Reelection Committee.

Why would President Clinton say that, Mr. Speaker? The New York Times reported in May that Johnny Chung was given \$300,000 by Ms. Liu Chao-ying, a Chinese aerospace executive who is a lieutenant colonel in the People's Liberation Army in Communist Army, and her father at one time was the head of the Chinese People's Liberation Army.

In April of 1996, 27 months before President Clinton's meeting with President Jiang of China, Sandy Berger, the head of the National Security Council, was briefed that China had stolen W-88 nuclear warhead designs, neutron bomb data, and that a spy might still be passing secrets to China at Los Alamos, one of our nuclear research facilities.

Now, the W-88 nuclear warhead design is a miniaturized nuclear warhead, and you can put as many as 10 of them on one missile. So you can hit 10 cities with one missile launched from China, thereby endangering as many as 50 or 60 million Americans. And the neutron bomb data, that kind of information, would allow an enemy of the United States, Communist China, to launch a missile at the United States with a neutron bomb warhead, and when it explodes, kills everybody in the city but it does not destroy the infrastructure, the roads, the bridges, or the buildings.

Now, Sandy Berger, the head of the NSC, would have had to have told the President about this. Why would President Clinton say that he believed President Jiang of China?

Mr. Speaker, on April 8, 1999, at a joint press conference with President

Clinton, when Communist China's Prime Minister Zhu Rongji was here, he was asked about China's theft of U.S. nuclear secrets; and Prime Minister Zhu said, "I have no knowledge whatsoever of any charge of any allegation of espionage or the theft of nuclear technology, and I do not believe such story."

And President Clinton responded, "China is a big country with a big government, and I can only say that America is a big country with a big government and occasionally things happen in this country and in this government that I do not know anything about." And he was indicating that the stealing of this technology and the illegal campaign contributions that were authorized by the leaders of the Communist Chinese Government could have happened without their knowledge.

If that happens in Communist China, they either shoot them or put them in prison. So it is disingenuous for the President to say that he believed him when he knew full well that this was taking place.

In July of 1997, a year before his meeting with President Jiang and 27 months before his meeting with Prime Minister Zhu, the administration acknowledges that NSC Director Sandy Berger briefed the President, told him about weaknesses in our nuclear laboratories and about China's spying.

So when President Clinton met with President Jiang and Prime Minister Zhu, he had already been briefed by NSC Director Berger sometime before about the possibility of spying and espionage taking place at our nuclear facilities.

Before the President met with Zhu, the L.A. Times reported that Johnny Chung had testified under oath that he was directed to make illegal campaign contributions to the President's reelection campaign by General Ji Shengde, who met with him three times and ordered that \$300,000 be directed to Chung for political contributions, and that there were other conduits, other people that they were working with to get money into the President's reelection campaign and to the Democratic National Committee.

Now, Johnny Chung was a friend of the President. He was in the White House 50 times. He brought other people in, Communist leaders, to meet with the President. And he was one of the major conduits of bringing illegal campaign contributions into this country.

General Ji Shengde was the head of the Chinese Communist military intelligence, the equivalent of our Defense Intelligence Agency in this country; and he was the one that was giving the order to funnel these illegal campaign contributions from communist China into the President's reelection campaign and into the Democrat National Committee.

Now, why would President Clinton suggest that maybe the Chinese leadership did not know about the spying at

Los Alamos? Why would he say that? Mr. Speaker, when they do something in China, as I said before, they either shoot them or throw them in jail.

Now, regarding Chinese espionage. In April of 1996, 27 months before President Clinton accepted President Jiang's denial, and 3 years before he suggested that China's spying might be the fault of "big government," the Department of Energy's chief of intelligence Notra Trulock told National Security Advisor Sandy Berger, the head of the NSC, that China had stolen both W-88 nuclear warhead designs, that is the miniature nuclear warhead that they can put 10 of them on one missile, and neutron bomb data; that a spy might still be passing those secrets to China from Los Alamos, our nuclear research facility.

Mr. Speaker, according to Energy officials who took part in the meeting and read highly classified materials used to prepare for it, Sandy Berger was also told how the stolen technology could fit into Beijing's overall nuclear strategy and how the W-88 technology could be used as part of a plan to rely on the mobility of truck-launched missiles with small warheads to better survive a counter-nuclear attack by the United States.

According to the New York Times, Energy officials said the briefing was a culmination of a 5-month interagency study of the W-88 theft and related issues and it was pretty "a pretty specific briefing." One American official who was present said that. Sandy Berger was even told that investigators had identified a prime suspect at Los Alamos in the theft and would shortly turn their information over to the FBI for a formal criminal inquiry.

Why did Sandy Berger, the head of the NSC, appearing on NBC's Meet the Press last month, say the information he was told about 3 years ago was very general and very preliminary? Why did he say we did not have a suspect in the theft of the W-88 technology? Why did he say that we did not know who, we did not really know how, and we did not really know what?

We know at the end of the briefing that I just talked about, according to officials that were present, Notra Trulock referred to a report from a Chinese source which had been provided to the Department of Energy by the FBI in March of 1996, over 3 years ago.

Mr. Speaker, the Chinese source indicated that officials inside China's intelligence service were boasting about how they had just stolen secrets from the United States and had used them to improve Beijing's neutron bomb.

The source further suggested that Chinese agents solved a 1988 design problem by coming back to the United States in 1995 to steal more secrets. The source, who in the past has provided reliable information, even detailed how the information was transferred from the United States to communist China.

According to one official, the intelligence about the neutron bomb was hot off the press and it was included in the briefing to warn the White House of the possibility of continuing Chinese espionage.

Mr. Speaker, in November of 1996, almost 1½ years after first suspecting the theft of nuclear secret from Los Alamos, Charles B. Curtis, the Deputy Secretary for Energy, ordered a series of security measures to be carried out on a straight timetable during the next several months. None of these measures were carried out until September of 1998, almost 2 years later, and there was a threat and a strong indication that espionage had taken place and our top secrets were being stolen by the communist Chinese. Why did we wait 2 years? Why did they not implement those series of security measures?

Mr. Speaker, in March of 1997, 4 months before President Clinton was scheduled to visit China, the Energy Department's Acting Secretary for Defense Programs, Victor Reis, and the Acting Director for Nonproliferation, Kenneth Baker, prevented Notra Trulock, when he saw further evidence that the Chinese had other ongoing spy operations at the weapons lab and he asked to meet with Secretary of Energy Federico Peña, they kept him from briefing Secretary Peña for 4 months. Why?

Mr. Speaker, in April of 1997, when the FBI requested a wiretap to be put on the phone of the conversations of Wen Ho Lee, the chief suspect in the theft of America's W-88 miniaturized warhead technology, the nuclear technology, they were turned down by the Justice Department.

Why would the Justice Department turn down this request for electronic technology to be put on this gentleman's phone when they thought and highly suspected and even knew that he was giving top secret nuclear technology to the Chinese communists that endangered every man, woman, and child in this country?

Why would the Justice Department not allow electronic technology and wiretaps to be put on his phone? Why? And who at the Justice Department turned down this request? This guy was accused of stealing America's most advanced nuclear technology. Why was this request turned down? Why?

In August of 1997, FBI Director Louis Freeh told Energy Department officials that the Bureau did not have enough evidence to arrest Wen Ho Lee, but that Mr. Lee could now be removed from his position without harming their investigation and that DOE was to determine whether or not to keep Lee on since "the case was not as important as what damage he might do or continue to do by accessing additional information."

□ 1815

Why did the Department of Energy keep Lee on with FBI approval, retaining his security clearances until De-

ember of 1998, about 2 years later, when he was moved to a nonclassified area and took a lie detector test for the first time. Why?

Mr. Speaker, again in 1997, in July, a year before his meeting with President Jiang and 21 months before his meeting with Prime Minister Zhu, Sandy Berger, the head of the NSC, received a second detailed briefing about China's spying and soon after told President Clinton about weaknesses at the laboratories and about China's spying.

Mr. Speaker, in August of 1997, Gary Samore, the senior National Security Council official assigned to the China spy case asked, now, get this, asked the CIA director to seek an alternative analysis on how China developed its smaller warheads. In other words, he did not want to talk about them being stolen from Los Alamos through espionage. He wanted to find out an alternative analysis from the CIA on how they might have gotten this technology. Immediately after he got this briefing from Notra Trulock in August of 1997. Why, when presented with such overwhelming evidence of Chinese espionage, did Gary Samore at the National Security Council seek to downplay the significance of the information, asking the CIA to come up with another explanation about China's advances? Why?

Mr. Speaker, in May of 1998, Notra Trulock, Energy Department's director of intelligence, was demoted to acting deputy director of intelligence after he made a third report to the Energy Department Inspector General about a steady pattern of suppression of counterintelligence issues. Somebody was trying to keep a lid on all this.

Mr. Speaker, in July 1998, the same month that President Clinton was meeting with China's President Jiang, when the House intelligence committee requested an update on the spy case from Notra Trulock, Trulock testified that Acting Energy Secretary Elizabeth Moler ordered him not to go to the panel for fear that the information would be used to attack President Clinton's China policy. Why did Elizabeth Moler do this?

Mr. Speaker, the Chinese thefts of U.S. nuclear secrets, according to Paul Redmund, the CIA's chief spy hunter, were, quote, far more damaging to national security than Aldrich Ames—he is the spy who is now in jail—and the spying would turn out to be as bad as the Rosenbergs. Now you recall the Rosenbergs were the ones who gave nuclear secrets to the Russians and the Soviet Union back during and after World War II. Both of them were executed for giving that nuclear technology to the Soviets so that they could build their nuclear missiles that were directed at the United States. And he said, this Mr. Redmund, that this spying would turn out to be as bad or worse, or as bad as the Rosenberg case. You can see how really bad this is.

Mr. Speaker, at the same time that China was conducting its highly suc-

cessful espionage operations against the United States, the Committee on Government Reform, which I chair, for 2 years has known about and tracked millions of dollars that were given to the Democrat Party and the President's reelection committee that can be directly traced to Hong Kong, Macao, Indonesia, South America and Communist China. Mr. Speaker, long before President Clinton met with President Jiang and long before he met with Prime Minister Zhu, we knew for a long time that China's head of military intelligence, General Ji Shengde, had been pulling the strings for a massive conglomerate called China Resources which U.S. intelligence agencies have said operates fronts for the People's Liberation Army in Hong Kong and worldwide.

Mr. Speaker, for a long time we have known that China Resources has joint ventures with the Indonesia-based international firm called the Lippo Group. We have also known that the Lippo Group is run by Mochtar and James Riady. We have known that the ethnic Chinese James Riady is a close friend of the President's and has frequently visited him at the White House. He was also instrumental in getting John Huang appointed to a very important position at the Commerce Department and later at the Democrat National Committee.

Mr. Speaker, we have known that James Riady's chief adviser on political donations was John Huang, who is a former employee of the Lippo Group and who accepted this job at the Commerce Department and then left the Commerce Department to work at the Democrat National Committee where, with the help of James Riady and the Lippo Group and Mochtar, he collected nearly \$3 million in illegal campaign contributions for the Democrat Party and the President's reelection committee.

Mr. Speaker, we have in our possession checks, copies of checks which represent illegal contributions to the Democrat Party drawn from accounts in the Lippo Bank which is controlled by the Riady family.

It is now being reported that Johnny Chung, who gave more than \$360,000 to the Democrat Party, has told a grand jury that some of the money he contributed to the Democrat Party came from China's head of military intelligence, the very same people that wanted this nuclear technology, General Ji Shengde. General Ji is the man in the Chinese military most likely to be directing China's spy operations and most likely to be interested in America's nuclear secrets.

Mr. Speaker, it now appears that General Ji was the mastermind behind China's efforts to get the Clinton-Gore team reelected. Johnny Chung has reportedly told a grand jury he was coordinating efforts to funnel money into the campaign, along with others, according to General Ji. Is it possible that he was working with John Huang and Charlie Trie as well?

Mr. Speaker, Johnny Chung, John Huang and Charlie Trie together raised over \$3 million in illegal donations, that we know of, that have been linked to the Bank of China.

Mr. Speaker, it is important to repeat that on July 2, 1998 during President Clinton's trip to China when he was asked to comment on his discussions with President Jiang Zemin about China's involvement in campaign fund-raising in the United States, President Clinton said, "they looked into that, and he was obviously certain, and I do believe him, that he had not ordered or authorized or approved such a thing, the illegal contributions, and that he could find no evidence that anybody in governmental authority had done that." The President said he believed that.

Mr. Speaker, President Clinton at his own press conference on March 19, 1998, in response to the question, "Can you assure us, the American people, that under your watch no valuable secrets were lost," and he said, quote: Can I tell you there has been no espionage at the lab since I have been President? I can tell you that no one has reported to me they suspect such a thing has occurred.

Mr. Speaker, on April 8, 1999, at a joint press conference with President Clinton when China's Prime Minister Zhu Rongji was asked about China's theft of nuclear secrets, Zhu said, "I have no knowledge whatsoever of any charge of any allegation of espionage or the theft of nuclear technology and I don't believe such a story." This is the prime minister of China.

President Clinton responded, "China is a big country with a big government and I can only say that America is a big country with a big government and occasionally things happen in this government that I do not know anything about."

Mr. Speaker, how could President Clinton, who knew at least 1 year before meeting with President Jiang and probably as early as April of 1996 about Chinese spying, and had all this information about illegal Chinese efforts to funnel money into the 1996 Clinton-Gore reelection efforts, say, "I do believe" President Jiang? It is just almost disingenuous.

Mr. Speaker, it is inconceivable that President Clinton did not know about China's espionage and China's funneling of illegal contributions into this reelection campaign when he met with Prime Minister Zhu.

Mr. Speaker, how could the President who had been briefed by Sandy Berger in July of 1997 and probably as early as April of 1996 about Chinese spying suggest that maybe China's spying was the result of "big government" and that maybe China's leadership did not know about their spying at Los Alamos? Wen Ho Lee we know had not only been involved in that spying, at least that is what we believe now, and he has already taken some lie detector tests and is still under investigation, we also

know that he called convicted spy Peter Lee at the Livermore Laboratories where a neutron bomb was being researched some time ago. How could the President say that this was a result of big government?

It is impossible that the Chinese leadership did not know about this spying. You get shot in China when you do something like that without telling the leadership.

Mr. Speaker, on March 7, 1997, President Clinton said, "I don't believe you can find any evidence of the fact that I had changed government policy solely because of a contribution."

Mr. Speaker, in February of 1998, 5 months before he met President Jiang and 14 months before he met Prime Minister Zhu, President Clinton ignored strenuous objections from the Department of Justice which was investigating the Loral Corporation for an unauthorized technology transfer to China and granted Loral a waiver for official transfers of essentially the same missile technology to China that Loral was being criminally investigated for giving to China without authorization in 1996.

Bernard Schwartz, the chairman of Loral Corporation, contributed over \$1.365 million to various Democratic accounts, including the reelection of the President.

Mr. Speaker, in a March interview with CNN's Wolf Blitzer, when questioned about China's spying at Los Alamos, Vice President Gore said, "The law enforcement agencies pursued it aggressively with our full support."

On March 14, 1999, Sandy Berger asserted that upon learning of China's nuclear espionage, the administration, quote, imposed and enforced the strictest controls on China of any country except those for which we have embargoes, such as Libya, end quote.

Mr. Speaker, if the Vice President and NSC Director Sandy Berger are right, why after showing deceptive answers in his first lie detector test in December of 1998 did it take the Clinton administration another 2 months to give Mr. Lee a second test? After failing that second test, why did it take them another month to get rid of him?

Why did Elizabeth Moler, who ordered Notra Trulock not to brief the House Intelligence Committee say that she could not recall being told about Trulock's request for a briefing even when a memorandum from Mr. Trulock concerning the briefing request was found in the safe in her office after she left her job at the Energy Department?

Mr. Speaker, if what the Vice President and Sandy Berger say is true, why, within 2 months after becoming Energy Secretary in January of 1993, when Keith Fultz, Assistant Comptroller General with the General Accounting Office, briefed Hazel O'Leary and strongly recommended that the Department of Energy improve controls over foreign visitors to DOE weapons laboratories and urged

O'Leary to seek a further briefing about espionage at DOE laboratories from U.S. intelligence agencies, did Fultz say that O'Leary say she did not seem very interested in the matter?

Why, according to the Washington Times, did a former contractor for one of the Department of Energy's three nuclear weapons laboratories recall that O'Leary, quote, decided in her infinite wisdom to lessen security at the labs? Nuclear technology is being stolen and she lessened security at the labs. The Cold War is over, the contractor says that she indicated, and in Mrs. O'Leary's mind it was not necessary to have so much money spent on security. We did away with the people in actual security guard forces, security clearances were deemed virtually unnecessary in all but a very few areas, former secure areas were opened up, and many documents and files were allowed to be seen which at one time were of a secret or classified nature.

Why, according to the Washington Times, did the White House originally tell the Cox committee that the President was not told about Chinese espionage until 1998? We know he must have known back as far as 1997 or 1996 when his NSC director, Sandy Berger, found out about it.

Why did David Leavy, spokesman for the National Security Council, explain this discrepancy by saying, "Well, after the Cox committee process, we've remembered more."

Mr. Speaker, on April 7, 1998, speaking at a U.S. Institute for Peace event, President Clinton implied that anyone critical of China was using, quote, caricatures and exaggerating the Chinese threat.

Let me share a portion of the President's speech according to the record.

"Now, we hear that China is a country to be feared. A growing number of people say that it is the next great threat to our security and our well-being.

"They claim it is building up its military machine for aggression and using the profits of our trade to pay for it. They urge us, therefore, to contain China, to deny it access to our markets, our technology, our investment, and to bolster the strength of our allies in Asia to counter the threat a strong China will pose in the 21st century. What about that scenario? Clearly, if it chooses to do so, China could pursue such a course, pouring much more of its wealth into military might and into traditional great power geopolitics.

"This would rob it of much of its future prosperity, and it is far from inevitable that China will choose this path. Therefore, I would argue that we should not make it more likely that China choose this path by acting as if that decision has already been made.

"We have to follow a different course. We cannot afford caricatures."

Well, the President knew that they had been stealing nuclear secrets from our laboratories, our nuclear laboratories, neutron bomb technology, W88

technology, MRVing technology for warheads and it had been given to them by a person who worked for the laboratory. The President had to know this as far back as early 1997, and yet they kept the man on there for over 2 more years and the President said we do not need to worry about that?

Why is China taking this additional nuclear technology if they do not really need it, if they do not have any intentions of using it? Just a couple of years ago, they fired some missiles into the Sea of China next to Taiwan. One of the leading military people in China said that he did not think the United States would worry too much about that because if we got involved, we would be much more concerned about Los Angeles than we would about Taiwan.

□ 1830

The implication was that there might be a threat that they would do something like launching a missile at Los Angeles if we stuck our nose into the Taiwanese issue.

Mr. Speaker, on March 29, 1999, one week before President Clinton's press conference with Chinese Prime Minister Zhu, Newsweek reported that when the CIA recently showed data obtained from its sources on China to a team of nuclear weapons experts, they practically fainted. These are our nuclear weapons experts, and when the CIA recently showed that data that was obtained from its sources about China's stealing of that technology, our nuclear weapons guys almost fainted.

The data, much of it written in Chinese and never read, had been stored in CIA computers and forgotten until now. It showed that Chinese scientists were routinely using phrases, descriptions and concepts that came straight out of U.S. weapons laboratories like Los Alamos. "The Chinese penetration is total," said one official close to the investigation. "They are deep, deep into the lab's black programs," and black programs are our most sensitive nuclear technology security issues, and they are deep, deep into them according to our experts.

Newsweek even reported that China may have even recently acquired two U.S. cruise missiles that failed to detonate during last fall's U.S. attack on terrorist Osama bin Laden and may be attempting to copy their sophisticated guidance and avoidance avionics technology.

Mr. Speaker, how can the President say that anyone who is critical of

China and the threat are using caricatures?

Mr. Speaker, over the last 2 years my committee has been conducting an investigation into illegal fund-raising including illegal efforts by the Chinese to influence our elections. We have had 121 people. Nothing like this in the history of the country: 121 people have either taken the Fifth Amendment or fled the country. A number of the most important people on this list are now in Communist China. When my staff attempted to travel to China to interview some of these people, the Chinese government denied us visas and said they would arrest anybody we sent over there to investigate this.

Mr. Speaker, we asked the Bank of China to provide us with bank records that would show the origins of millions of dollars in foreign money that was funneled into the President's reelection committee and the Democrat National Committee. The Bank of China has turned us down flat. The Clinton administration has refused to do anything to help us get this important information.

Mr. Speaker, when so many people take the Fifth Amendment or flee the country, it is obvious that a lot of laws have been broken.

Mr. Speaker, the Clinton administration failure to investigate China's funneling of illegal contributions into the Clinton-Gore reelection campaign and China's theft of America's most advanced nuclear secrets are absolute tragedies. Either intentionally or through its own incompetence, the Clinton administration has caused irreparable damage to America's national security. It has compromised the security of every man, woman and child in this country.

Mr. Speaker, this has to be investigated. The American public has a right to know what is going on regarding these illegal campaign contributions, and the thefts of our nuclear technology, and whether or not there is any connection between the two. We can no longer accept the compromise of this nation's national security, and we intend to pursue it as hard as we possibly can. But we need the help of the Justice Department, which has been stonewalling us, and we need the administration to give us some assistance as well.

#### SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legis-

lative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BAIRD) to revise and extend their remarks and include extraneous material:)

Ms. NORTON, for 5 minutes, today.

Ms. WOOLSEY, for 5 minutes, today.

Mr. BAIRD, for 5 minutes, today.

Mr. CUMMINGS, for 5 minutes, today.

Mr. HOLT, for 5 minutes, today.

(The following Members (at the request of Mr. NETHERCUTT) to revise and extend their remarks and include extraneous material:)

Mr. DELAY, for 5 minutes, today.

Mr. NETHERCUTT, for 5 minutes, today.

Mr. DUNCAN, for 5 minutes, today.

Mr. METCALF, for 5 minutes, today.

Mr. ROHRBACHER, for 5 minutes, today.

(The following Member (at her own request) to revise and extend her remarks and include extraneous material:)

Ms. JACKSON-LEE of Texas, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. CUNNINGHAM, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. ROHRBACHER, for 5 minutes, today

#### BILL PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 440. To make technical corrections to the Microloan Program.

#### ADJOURNMENT

Mr. BURTON of Indiana. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 35 minutes p.m.), the House adjourned until Monday, April 19, 1999, at 2 p.m.

#### EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports concerning the foreign currencies and U.S. dollars utilized for official foreign travel during the first quarter of 1999 by Committees of the House of Representatives, as well as a consolidated report of foreign currencies and U.S. dollars utilized for speaker-authorized official travel during first quarter of 1999, pursuant to Public Law 95-384, and for miscellaneous groups in connection with official foreign travel during the calendar year 1998 are as follows: