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## Headline News

### Clinton-Approved Computer Exports Help China Build Atomic Bombs

**Charles R. Smith**  
Friday, Oct. 4, 2002

The Bush administration has accused Sun Microsystems Inc. of violating export rules in high-speed computer sales it made to China during the Clinton administration.

According to a letter the company received in February 2002 from the U.S. Commerce Department's Bureau of Industry and Security (BIS), the illegal sales took place in 1997 and 1998. The letter was released on Sept. 30 by Sun in a regulatory filing.

According to the letter, in 1997 Sun sold equipment to a Hong Kong reseller, which later sold the hardware to military organizations in China. Sun officials would not discuss the nature of the equipment.

#### Sun Computers in PLA Weapons Labs

However, Sun Microsystems has a long history of equipment sales to military users inside China. For example, on Dec. 26, 1996 a Hong Kong reseller for Sun Microsystems, Automated Systems Ltd., sold a supercomputer to the Chinese Scientific Institute, a technical institute under the Chinese Academy of Sciences.

According to documents obtained from the U.S. Commerce Department, the Chinese Scientific Institute is a government laboratory specializing in parallel and distributed processing.

At some point after the sale but before delivery, the computer was sold to Yuanwang Corp. Yuanwang is an entity of the Chinese army unit COSTIND (Commission on Science, Technology, and Industry for National Defense). According to Defense Intelligence Agency (DIA) documents, COSTIND oversees nuclear weapons research and design for the Chinese army.

Sun officials claimed in 1997 that they were unaware of the supercomputer transfer to the Chinese nuclear weapons lab. However, according to the Chinese Foreign Ministry, Sun Microsystems was aware

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of Yuanwang Corp.'s Chinese military ties.

According to the Cox report, the Chinese Ministry of Foreign Trade and Economic Cooperation (MOFTEC) explained that the actual buyer of the computer was the "Yuanwang Corporation" and that Sun was aware of "this corporation's PRC military ties."

In another case, the Clinton administration approved the export of a Sun supercomputer directly to the Yuanwang Group. The Sun supercomputer was moved to the National Defense Technical Institute in Changsha, part of the Lop Nor nuclear weapons facility, for atomic bomb design.

In 1996 the Sun supercomputer sale came to the attention of Frank Deliberti, then the U.S. Commerce Department's deputy assistant secretary for export enforcement. Deliberti gave the information he obtained to Sun Microsystems, which then initiated efforts to have its computer returned. The computer was returned to the United States on Nov. 6, 1997.

### Commerce Officials Knew Chinese Company Was Owned by Military

There is ample evidence that Clinton administration officials were aware that Yuanwang was a company owned by the Chinese military. According to the Commerce Department's own documents, official meetings with Chinese army owned companies took place before documented computer transfer to Yuanwang Corp.

The documents include a list of Chinese military owned corporations compiled by Gen. Ding, then commander of COSTIND. The list provides the direct contact phone number of the Chinese army official in charge at Yuanwang Corp.

On April 6, 1994, Defense Intelligence Agency official Col. Blasko sent an unclassified memo to Commerce officials. The memo states that "YUANWANG" Corp. and "GREAT WALL INDUSTRIES" are "significant to the Defense conversion" along with other known PLA-owned companies such as "CHINA NATIONAL NUCLEAR" and "China North" NORINCO.

The Chinese People's Armed Police is also well equipped with Sun-made computer equipment to track, identify and quickly jail any dissidents. Sun Microsystems has a contract with the Chinese version of the Nazi Gestapo, the Public Security Bureau, to make use of instant computer identification of fingerprints.

### Clinton Approved the Supercomputer Exports

Yet, Sun could not have made these lucrative export deals without the direct assistance of then-President Bill Clinton. In 1995, Tony Podesta, a powerful Washington lobbyist and brother of John Podesta, then Clinton's White House adviser, had a consortium of top U.S. computer CEOs attend secret meetings inside the White House. The meetings were on computer hardware and software exports to China and Russia.

In 1995, Tony Podesta represented Computer Systems Policy Project.

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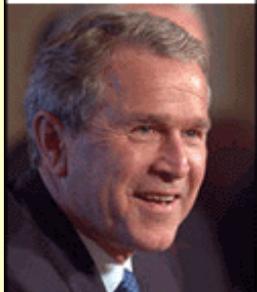


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CSPP was a group of computer companies that in 1995 included Apple, AT&T, Compaq, Cray, Data General, Digital Equipment, Hewlett-Packard, IBM, Silicon Graphics, Stratus Computer, Tandem, Unisys and Sun Microsystems.

These major computer corporations, including Sun, sought Clinton's assistance in exporting computers to Russian and Chinese military end users.

According to a May 1995 CSPP document sent to Commerce Secretary Ron Brown, "controls on computer exports to Russia and China for commercial, civil end-users should be eliminated; controls on exports for actual military end-uses may be appropriate until there is greater certainty that neither country poses a threat to U.S. national security."

### Secret Meetings Inside the White House

One 1995 secret meeting inside the White House was attended by CSPP Director Ken Kay, then an employee of Podesta Associates. The meeting with Tony Podesta's employee took place while John Podesta was employed at the White House. John Podesta left the employ of the White House and went directly to work for his brother in July 1995.

The meeting occurred just before Clinton changed supercomputer policy. Within weeks, Russian and Chinese military units were buying hundreds of U.S.-made computers.

Another Commerce Department letter outlined the lack of concern for U.S. national security by the Clinton administration and the CSPP computer makers. The letter includes an e-mail from then Commerce Undersecretary Dave Barram dated Jan. 3, 1996.

According to Undersecretary Barram, "Terrorist activity" was of no concern to the corporate members of CSPP. "They aren't likely to think the risk society avoids for however long offsets the economic risk to American industry."

Unsaid in the memo is the fact that David Barram, former CEO of Cray Corp., then the leading supercomputer maker in America, was also a former member of CSPP.

### GAO Critical of Computer Export Policy

In 1999, the General Accounting Office released a scathing report critical of Clinton's high-tech export policy. According to the GAO, "the President's July 1999 report to Congress did not fully satisfy the reporting requirements of the Defense Authorization act."

Overall, only 3 percent of all computer licenses were for "sensitive" end-users such as foreign military units. The GAO noted that the Clinton administration issued more than 1,900 licenses for high-speed computers to communist China between November 1997 and August 1999. Of the 1,924 computers licensed for China, 48 computers were to "sensitive end-users or uses," or nearly 2.5 percent of all sales to China.



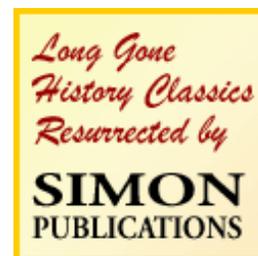
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"The [president's] report did address two of the three requirements," wrote the GAO. "To determine the availability of high performance computers in foreign countries and the potential use of the newly decontrolled computers for significant military use. These applications include advanced aircraft design, anti-submarine warfare sensor development, and radar applications."

Clinton's report "did not, however, assess the impact of such military use on the national security interests of the United States," wrote the GAO. "Instead, the report discussed the economic importance of a strong U.S. computer industry to U.S. national security. The President's report concluded that failure to adjust U.S. export requirements for computers and processors would have a significant negative effect on the U.S. computer industry."

"The [Clinton] report implied that high-performance computers are readily available for foreign sources," states the GAO. "A 1998 study sponsored by DOD [Department of Defense] and Commerce found that the United States dominates the international computer market."

### **U.S. Computers Designed New Chinese Atomic Bombs**

Sun Microsystems says it is now in settlement talks. The Bush administration has given the computer maker until Nov. 1 to respond to the accusations. Sun said it would defend itself against the charges if the settlement talks fail.

"We expect to reach a resolution on this, and it will not have a materially adverse effect on Sun," stated company spokesman Andy Lark.

If Sun is found to have violated the regulations, it could face financial penalties or the loss of its export privileges. America and its allies will not be so lucky as to pay a price in mere money. The Chinese army used U.S.-made computers such as those sold by Sun to help design a new family of lightweight nuclear weapons.

One such newly developed weapon, the Dong Feng 31 (DF-31) missile, is capable of showering U.S. cities with accurate and very powerful atomic bombs. The People's Liberation Army recently announced that it would be testing a DF-31 in the next few weeks. The U.S. military expects the DF-31 to be actively deployed by the end of 2003.

The economic impact of losing sales was far more important to Clinton and his Big Business backers than U.S. national security. As a result, Beijing is deploying nuclear weapons designed and built using American supercomputers.

These new weapons threaten all human life on Earth with the risk of extinction. We can only thank U.S. computer makers such as Sun and Bill Clinton for taking such a risk with our lives over something as important as money.

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