

# U.S. intelligence is blinded by joint CIA-China operations

by Herbert Quinde

The United States has been so dependent on cooperation from the People's Republic of China for carrying out covert intelligence operations over the last decade, that Deng Xiaoping has had President Bush and the Central Intelligence Agency on a short leash. But as the public executions continue, Americans' outrage at the "Butchers of Beijing" is also turning increasingly against the U.S. administration for its obvious lack of action, as Bush's rationale for "restraint" wears paper-thin.

At a White House press conference on June 26, President Bush dejectedly attempted to rationalize his failing policy. Asked if in retrospect, he did not think that the "China card" had been oversold, he said that it was not just the administration which had been caught unprepared, but that not a single China watcher had predicted what happened in Tiananmen Square.

Indeed, no clear policy alternative is coming from the administration on any aspect of China policy. One former CIA analyst who represents the "centrists" in the Agency admitted, "For now, the *only* policy, therefore the best policy we have, is to wait until the old farts in China die off. Hopefully it will be soon."

China has been seen as "pro-American" because of its alleged anti-Soviet stance. But the P.R.C. has now tilted back to an alliance with the U.S.S.R., something that has been in the works since 1986, according to a former P.R.C. official now at a Washington think tank. According to that source, the Politburo of the Chinese Communist Party has assessed that Mikhail Gorbachov is a true "reformer" with whom they can do business. In fact, P.R.C. policy input has been critical in convincing both former President Reagan and President Bush that Gorbachov could be trusted.

## Joint covert operations

But why is the administration bending over backwards to save a relationship which is no longer functional? The answer is initially found in the intimate working partnership developed over the last 10 years between U.S. intelligence and the P.R.C. in joint covert operations.

Although there has been a bipartisan agreement to shroud

the cooperation in secrecy over the years, numerous joint U.S.-P.R.C. intelligence projects have come to light. Namely, the intelligence services of both nations have jointly operated in:

- **Afghanistan.** U.S.-backed Afghan rebels were supplied weapons bought from the Chinese by the U.S. and delivered directly to the rebels by Chinese "mules."

- **Southeast Asia.** The U.S. covert arming of Prince Sihanouk, the so-called moderate Cambodian nationalist, has been done with Chinese arms. This has directly assisted the genocidalist Khmer Rouge, since Sihanouk is a junior partner in an alliance with the Chinese-backed Cambodian "contras." Thailand has also been pressured to cooperate in this arrangement. The idea is that China can serve as the counterweight to the Soviet-Vietnamese influence in Cambodia.

- **Korea.** China has played a more trusted role in operations against North Korea, than the more widely publicized case of South Korea.

- **Africa.** Jonas Savimbi's UNITA freedom fighters, who have been trying to overthrow the communist government of Angola, were armed primarily not by the South Africans, but by the Chinese with U.S. help. Again, the U.S. bought Chinese arms which were then supplied to UNITA. Savimbi's military training was done in the P.R.C. In general, the fruits of China's aggressive foreign policy thrust in Africa have been shared on a limited basis with the United States. For example, President Mobutu of Zaire—who in the mid-1970s was supported militarily by the P.R.C.—has developed as a senior African statesman assisting U.S. policy through initial P.R.C. intervention.

- **Iran.** The Chinese supplied Silkworm missiles to Iran, supposedly at the request of the United States. Did the United States pay for them? That is not clear. U.S. bellyaching on the issue was just part of a "public diplomacy" cover, according to sources.

- **Soviet Union.** After the CIA and National Security Agency was kicked out of Iran when the Shah fell in 1979, "listening posts" previously operating in Iran, were shifted to China to monitor activities within the Soviet Union.

- **Central America.** The P.R.C. helped Lt. Col. Oliver

North and Project Democracy arm the Contras.

On June 25, the Sunday *Washington Post* ran a front-page “damage control” story revealing a small part of joint U.S.-P.R.C. intelligence operations. With a “we-get-more-out-of-it-than-the-Chinese” rationale, the report denied that the P.R.C. has shut down U.S. monitoring capabilities, located in western China and targeted at the Soviet Union. But our sources report that the P.R.C. has been intermittently holding up turning over intelligence tapes from the “listening posts” to the U.S. embassy in Beijing, as a way of pressuring the United States to back off from harsher sanctions.

A senior administration official told the *Washington Post* in an interview that intelligence-sharing has been part of a substantial U.S. “investment” in China since President Nixon’s 1972 visit. The official said both countries had profited from this investment, and, “It is that which we have to balance against our current, justified outrage” over recent Chinese actions. A number of diplomats, legislators, and officials cited in the article said they think the U.S.-China intelligence connections are relatively secure, barring a complete rupture in diplomatic relations.

But the the *Post* concludes with an item that touches reality. The Congressional Research Service’s senior China specialist, Robert Sutter, is reported saying that most China specialists have overlooked the fact that China has had “a significant military relationship” with the Soviets even before Gorbachov came to power. According to calculations by the U.S. Arms Control and Disarmament Agency, he notes, China purchased \$310 million in arms from the Soviet Union in the 1982-86 period—almost four times its purchases of \$80 million from the United States.

The *Post* also makes passing reference to the Oliver North/P.R.C. story about arming the Contras—the first time that this highly embarrassing story has been out in the “mainstream press.” Confirmation of the story came out during North’s trial, when a document surfaced detailing how North’s operatives played the P.R.C. and Taiwan against each other to get both of them to arm the Contras.

### **North and his Chinese Communist friends**

A document released during North’s trial demonstrates the foreign policy and diplomatic insanity that flowed from the “China card” policy. It also shows that as early as 1984, all senior administration personnel were aware of the government’s commitment to covert aid to the Contras, thereby leaving the U.S. vulnerable to espionage and political blackmail by its enemies.

A System IV NSC “Top Secret” document dated Dec. 4, 1984 from North to then-National Security Council head Robert McFarlane on the subject of “Assistance to the Nicaraguan Resistance,” reveals the details of the initiation of a joint U.S.-P.R.C. program to arm the allegedly anti-communist Contras. On Nov. 28, 1984, North and NSC Asia specialist Gaston Sigur met with the P.R.C. military attaché

at the Washington Cosmos Club. The meeting was to urge the P.R.C. official to cooperate in ensuring an arms shipment to the Contras that was being held up in Canada. The Canadian-based purchase had Guatemala as the end user, and for some reason the P.R.C. was holding up the deal for 10 SA-7 missile launchers (referred to by the Chinese as HY-5), 30 missiles, one training unit, and 19 tracking units.

North told the P.R.C. attaché that the arms were not for Guatemala, but for the Contras. It seems the P.R.C. was holding up the deal because many Guatemalan military officers were graduates of the Taiwan Defense Academy. North said that Adolfo Calero, the head of the FDN, would recognize the P.R.C. once they won the war. The P.R.C. official said he got the message, and for the record stated it was P.R.C. policy not to interfere in the internal affairs of another nation. North sarcastically said that “it was too bad that the Soviets, Bulgarians, and East Germans involved in Nicaragua did not feel the same way.”

Earlier the same day Gen. Jack Singlaub had visited a senior Taiwan official to muscle him for funding the Contras. “Singlaub advised [the official] that, since the Taiwanese had turned down the earlier FDN request for assistance, the Resistance movement had approached the P.R.C.” The official noted that this was a “considerably different situation” and would pass the new information on to Taipei.

The NSC feared that North and company would be investigated for espionage because of their dealings with the P.R.C., and moved to get FBI Director William Webster’s help in protecting the NSC-P.R.C. project.

Prior to the North-Sigur meeting with the P.R.C. attaché, Kenneth deGraffenreid had contacted the FBI to determine how tight was the surveillance of the P.R.C. attaché. (Ironically, DeGraffenreid was identified by former White House sources as part of a team at the NSC which accused Lyndon LaRouche of being a Soviet agent in an attempt to counter LaRouche’s policy influence.) DeGraffenreid established that the FBI was running a close monitoring operation. North writes, “It is thus very likely that the November 28 [meeting] has been reported in FBI’s counter-intelligence/counter-espionage channels. Subsequent discussions and or communications may also be monitored. The FBI has been requested to make no distribution except to the National Security Advisor on any intelligence we collect on [the senior P.R.C. military official] regarding this matter.”

The document states that “our contact for FDN weapons and munitions purchases (a retired military officer) will be apprised of the FBI surveillance [of the senior P.R.C. military official] in order that he may be appropriately discreet.” Sources say that North’s go-between was none other than Irangate defendant Gen. Richard Secord. At the end of the document, North recommends to McFarlane “that you place a secure call to Judge Webster urging him to report any intelligence [on the senior P.R.C. military official] regarding contacts with the NSC directly to you and no others.”