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DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE,
THE JUDICIARY, AND RELATED AGENCIES
APPROPRIATIONS FOR 1970

25

HEARINGS
BEFORE A
SUBCOMMITTEE OF THE
COMMITTEE ON APPROPRIATIONS
HOUSE OF REPRESENTATIVES
NINETY-FIRST CONGRESS
FIRST SESSION

SUBCOMMITTEE ON DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE,
THE JUDICIARY, AND RELATED AGENCIES

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DEPARTMENT OF JUSTICE



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The potent threat to our national security posed by Red China still exists. In fact, the blatant, belligerent and illogical statements made by Red China's spokesmen during the past year leave no doubt that the United States is Communist China's No. 1 enemy. This bitterness towards the United States and other Western countries—even the So-

viet Union—is a factor in Red China's ambition to equal other major powers economically, militarily and, especially, in scientific endeavors.

This Red Chinese goal has resulted in Chinese Communist intelligence activities in this country, overt as well as covert, to obtain needed material, particularly in the scientific field.

In one clandestine effort in 1967, which we thwarted, a Chinese American attempted to send electronic equipment to Hong Kong by way of Canada. This Chinese American headed an electronic company in the United States and the components involved, which could have been used in aerospace research, missile tracking, and radar, were sent to a Hong Kong businessman, temporarily in Toronto, Canada. Based on information furnished by the FBI, he was arrested by Canadian authorities in Toronto for making a false customs declaration, the electronics components being declared as replacement parts for printing machines. He was convicted and served a 60-day sentence.

We are being confronted with a growing amount of work in being alert for Chinese Americans and others in this country who would assist Red China in supplying needed material or promoting Red Chinese propaganda. For one thing, Red China has been flooding the country with its propaganda and there are over 300,000 Chinese in the United States, some of whom could be susceptible to recruitment either through ethnic ties or hostage situations because of relatives in Communist China.

In addition, up to 20,000 Chinese immigrants can come into the United States each year and this provides a means to send illegal agents into our Nation. There are active Chinese Communist sympathizers in the Western Hemisphere in a position to aid in operations against the United States.

The Chinese Communists do not have a legal base in the United States from which to conduct intelligence operations. In Canada, however, there is an office of the New China News Agency which poses as a legitimate news-gathering organization. Actually, its real function is to serve as a base for Red Chinese propaganda activity.

A growing problem which threatens to place a heavy burden on our investigative resources concerns the approximately 40,000 Hong Kong based Chinese seamen, many actually residing on the China mainland. We are aware of situations where they have served as couriers in intelligence operations. There have also been instances of mutinies on foreign ships by Chinese crews waving the book "Quotations From Chairman Mao Tse-tung."

Of the 40,000-odd crewmen, on any given day three-fourths of them are on vessels throughout the world. Some 27,000 of the total crew complement are members of the Chinese Communist-dominated Hong Kong Seamen's Union. In respect to the United States, there are thousands of entries made by these crewmen into the United States cities each year when their ships dock here. Although it is not necessary for a seaman to desert ship to perform an intelligence assignment, it is noted that there were over 700 desertions by Chinese crewmen in the United States in fiscal year 1967, and this accounted for more than 80 percent of the total desertions by Chinese crewmen throughout the world during that year. It is significant to note that desertions by Chinese crewmen jumped to some 930 during the fiscal year 1968.