

# Beyond Identity and Racial Politics: Asian Americans and the Campaign Fund-raising Controversy

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The campaign finance scandal of 1996, based on my own collection and estimate, has generated no less than 4,000 newspaper and magazine articles between September 1996 and February 1998 on the so-called "Asian connection." At the eye of the storm were John Huang and Charlie Yah-lin Trie, two Asian American donors/fundraisers for President Bill Clinton's re-election and the Democratic National Committee (DNC). Not since the advent of the Asian American movement in the late 1960s have Asian Americans experienced a more significant civil rights setback than the setback resulting from the deluge of negative, and at times, racist coverage of the scandal, as Ed Chen and Dale Minami's petition to the U.S. Commission on Civil Rights, also published in this issue, demonstrates.<sup>1</sup>

Several things become apparent upon investigation into this matter. First, the opponents of President Clinton exploited the traditional ambivalence and even fear of Asian Americans to their political advantage. Second, the Democrats' response was calculated and unprincipled. Third, Asian Americans' exclusion from full political participation can be traced in part to the class divide within the Asian American community and its dependency on foreign governments which exploit it.

## HOW RACE PLAYED INTO A CAMPAIGN FINANCE SCANDAL

The scandal at issue is the result of the ethic of the political parties

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1. "In re the Petition of the National Asian Pacific American Legal Consortium," September 10, 1997, reprinted in 5 *ASIAN L.J.* 357 (1998). See also Steven A. Holmes, *Asian American Groups File a Complaint of Bias in Inquiries and Coverage*, N.Y. TIMES, Sept. 12, 1997, at A32; Connie Kang & Robert L. Jackson, *Asian Americans Charge Fund-Raising Scandal Bias*, L.A. TIMES, Sept. 12, 1997, at A1. In response to the petition, the U.S. Commission on Civil Rights prepared a 43-page briefing paper, "Asian Pacific American Petition: Brief Paper," and conducted a public briefing session on December 5, 1997 in which several witnesses, including this writer, presented evidence of civil rights violations to the commission. See Wendy Koch, *Asian Groups Protest Probe*, S.F. EXAMINER, Dec. 6, 1997, at A1; Helen Zia, *Can Asian Americans Turn the Media Tide?*, THE NATION, Dec. 22, 1997, at 10.

seeking campaign donations by any means necessary. The practice of this ethic leads to corruption, illegal practices, and ultimately a crisis for American democracy. The benefit of racializing political corruption for both political parties is that it diverts the public's attention from this crisis. Instead of addressing the systemic problem of money corruption in politics, politicians discovered a fetching distraction: blame the problem on "Asians" and the unscrupulous "agents" of communist China. Little wonder, both parties have expressed no interest in passing even the toothless McCain-Feingold campaign finance reform bill.<sup>2</sup> Money has become the lifeline of and prerequisite for participating in American democracy, resulting in the increasing alienation of the public from the democratic process.

The partisan political power struggle and the media played a decisive role in racializing the scandal. Two months before the 1996 presidential election, Bob Dole and Ross Perot had failed to make a dent in President Clinton's commanding lead at the polls. But then with the help of columnists like William Safire of the *New York Times* and the editorial writers of the *Wall Street Journal*, they discovered and dipped into the well-entrenched reservoir of anti-Asian sentiment and launched an attack on President Clinton and the DNC for using John Huang to raise money from illegal foreign Asian sources, most notably James Riady, owner of the Indonesia-based, multinational Lippo Group.<sup>3</sup> The media began employing

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2. The McCain-Feingold Bill, S. 25, 105th Cong. (1997), is designed to ban the "soft money" contributions and to advance several incremental reforms, among which are more stringent disclosure requirements, strong regulatory power for the Federal Election Commission, and restrictions on the so-called "issue advertisements." Examples of bipartisan opposition to the McCain-Feingold bill and any kind of campaign finance reform can be seen from the following sample headlines from the *New York Times* in 1997: "GOP Panel Sees No Major Flaw in Fund-Raising Rules," July 19, 1997; "Despite Controversy, Money Continues to Pour into Party Coffers," Aug. 6, 1997; "The Talk in Washington: With Eyes on 2000, the Big Issue Is Money," Sept. 3, 1997; "Campaign Finance Measure Blocked in Senate Votes," Oct. 8, 1997; and "After 1996, Campaign Finance Laws in Shreds," Nov. 2, 1997. See also Doug Ireland, *Thompson's Supporting Role: The Senator Follows the Script to Preserve Corrupt Campaign Financing*, THE NATION, July 21, 1997, at 21-24; *Money and Politics: Politicians for Rent*, THE ECONOMIST, Feb. 8, 1997, at 23-25. For a debate on campaign finance reform issues, see 36 AM. PROSPECT: A JOURNAL FOR THE LIBERAL IMAGINATION (Jan./Feb. 1998).

3. In rapid succession, William Safire wrote several columns on the so-called "Asian connection." See, e.g., *The Asian Connection*, N.Y. TIMES, Oct. 7, 1996, at A17; *Absence of Outrage*, N.Y. TIMES, Oct. 10, 1996, at A33; *Get Riady, Get Set . . .*, N.Y. TIMES, Oct. 21, 1996, at A17; *Lippo Suction*, N.Y. TIMES, Oct. 28, 1996, at A19; *Huang Huang Blues*, N.Y. TIMES, Nov. 4, 1996, at A27; *Helping Janet Reno*, N.Y. TIMES, Dec. 5, 1996, at A35. See also Sara Fritz, *Huang, Riady Paths Crossed at Commerce*, L.A. TIMES, Dec. 4, 1996, at A12; Howard Foreman, et. al., *The Asia Connection*, NEWSWEEK, Oct. 28, 1996, at 24; Jeff Gerth & Stephen Labaton, *Wealthy Indonesian Businessman Has Strong Ties to Clinton*, N.Y. TIMES, Oct. 11, 1996, at A20; John Greenwald, *The Cash Machine: Was Huang a Maverick or Part of a Scheme to Shake down Foreign Tycoons?*, TIME, Nov. 11, 1996; Martin A. Kamarack, *Soft Money, Easy Access*, NEWSWEEK, Oct. 13, 1997, at 20; Kevin Merida & Serge F. Kovaleski, *Mysteries Arise All Along the Asian Money Trail*, WASH. POST, Nov. 1, 1996, at A1; Seth Mydans, *Family Tied to Democratic Party Gifts Built an Indonesian Empire*, N.Y. TIMES, Oct. 20, 1996, at A10; Peter Waldman, *By Courting Clinton, Lippo Gains Stature*, WALL ST. J., Oct. 16, 1996, at A1. For a summary of the unfolding scandal at the end of 1996, see *Column One: How*

terms such as the "Asian connection" and "Asian Americans" as synonymous with political corruption and foreign subversion of the political process, even though Huang and Trie raised only about \$4.5 million out of the total of \$2.2 billion raised in the 1996 federal elections.<sup>4</sup> In fact, Dole, Perot and the national media went out of their way to Asianize or Orientalize the political corruption and to lay the problem of corruption on several Asian Americans and their so-called "foreign connections" to several Asian countries, not the least of which was "communist" China.<sup>5</sup> Clinton, Gore, and the DNC were accused of selling out the the presidency and public policies and of compromising our national security by accepting money from foreigners and having "foreign Asian" guests in the White House. This line of thinking and argument persisted throughout 1997 with Safire insinuating in the *New York Times* that several Asian Americans, including Huang and Trie, were "Red Chinese" spies. Bob Woodward made similar allegations in a sensational "exclusive" in the *Washington Post*.<sup>6</sup>

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*DNC Got Caught in a Donor Dilemma*, L.A. TIMES, Dec. 23, 1996, at A1; Ruth Marcus & Charles R. Babcock, *The System Cracks under the Weight of Cash*, WASH. POST, Feb. 9, 1997, at A1; David E. Rosenbaum, *In Political Money Game, The Year of Big Loopholes*, N.Y. TIMES, Dec. 26, 1996, at A1.

4. The \$2.2 billion-figure comes from a report published by the Center for Responsive Politics, a public interest research organization based in Washington, DC. The report entitled "The Big Picture: Money Follows Power Shift on Capital Hill" was released on November 25, 1997. See Jill Abramson, *'96 Campaign Costs Set Record at \$2.2 Billion*, N.Y. TIMES, Nov. 25, 1997, at A18. The complete report can be read on the internet at the Center's webpage at <<http://www.crp.org>>. See also Anthony Corrado, *Campaign '96: Money Talks*, IN THESE TIMES, Nov. 11, 1996, at 18-21; Ellen Miller & Randy Kehlen, *Mischievous Myths about Money in Politics*, DOLLARS AND SENSE, July/Aug. 1996, at 22-27.

5. The so-called "China connection" was established by the fact that the Lippo Group had investments in China, just as it had investments in the U.S. This characterization of the money raised by Huang, Trie and others to a "China connection" did not surface until *New York Times* columnist William Safire first constructed the link. See William Safire, *I Remember Larry*, N.Y. TIMES, Jan. 2, 1997, at A19; William Safire, *Beware the Princelings (of China)*, N.Y. TIMES, Feb. 13, 1997, at A33. Before the January 2 article, most of the allegations of wrong-doing were based on money raised from the Riadys and the Lippo Group of Indonesia. A possible source of this thesis may be found in James Ring Adams, *What's Up in Jakarta?*, AM. SPECTATOR, Sept. 1995, at 28; James Ring Adams, *John Huang's Bamboo Network*, AM. SPECTATOR, Dec. 1996, at 26. The China connection was given a new boost when the press reported that Wang Jun, Chairman of the Poly Technologies group, the Chinese military's arms exporting company, was among the guests in one of the many coffee gatherings at the White House on February 6, 1996. See Steven Mufson, *Chinese Denies Seeking White House Visit*, WASH. POST, Mar. 16, 1997, at A1; David E. Sanger, *Businessman at White House Social Has Close Ties to China's Military Power*, N.Y. TIMES, Dec. 21, 1996, at A9; Michael Weisskopf & Lena H. Sun, *Trie Gained Entree for Chinese Official*, WASH. POST, Dec. 20, 1996, at A1.

6. Bob Woodward & Brian Duffy, *Chinese Embassy Role in Contributions Probed*, WASH. POST, Feb. 13, 1997, at A1. The Woodward article was based on leaks supposedly from counter-intelligence sources in the FBI. Since there has been no further confirmation of the allegation, the leaks could have been politically calculated or part of a disinformation campaign, either to discredit President Clinton or to make him look like an innocent victim of some vicious "communist plot." See also Marcus W. Brauchli, et al., *Ying for Influence: Fund-Raising Flap Has Roots in Bitter Rivalry between China, Taiwan*, WALL ST. J., Apr. 3, 1997, at A1; Nigel Holloway, *The China Connection*, FAR E. ECON. REV., Feb. 27, 1997, at 16; Mark Hosenball & Evan Thomas, *White House: A China Connection?*, NEWSWEEK, Feb. 24, 1997, at 34; Mark Hosenball & Evan Thomas, *A Break in the Case*, NEWSWEEK, May 19, 1997, at 54; David Johnston, *U.S. Agency Secretly Monitored Chinese in '96 on Political Gifts*, N.Y. TIMES, Mar. 12, 1997, at A1; Phil Kuntz, *Asian Tycoon with Ties to*

Not only was the scandal effectively racialized, it was transformed into a national security concern and a partisan struggle for control of the White House.

Led by Senator Fred Thompson, the Republican chairman of the Senate Governmental Affairs Committee, several committees of both houses of Congress also pursued a similar line of investigation, likely aimed at discrediting President Clinton and the DNC, in part by playing off the post-Cold War fear of and hostility toward "Red" China, and at scoring points with the electorate. The Thompson Committee conducted four months of highly publicized public hearings, from July to October 1997, aimed at proving two theses: (1) "Red China" had laundered money to influence President Clinton and subvert American democracy and (2) John Huang and Charlie Trie were Chinese spies.<sup>7</sup> The Senate hearings ended in disarray, failing to produce any evidence in support of its two theses, but it did raise disturbing questions about its strategy of smearing Asian Americans and demonizing China to discredit President Clinton and the DNC and to divert public attention from the need for campaign finance reform.<sup>8</sup>

The Democrats' response to Republican pressure was an unprincipled

*China Visited White House While Wiring Funds to US*, WALL ST. J., July 31, 1997, at B10; Christopher Matthews, *Clinton's Open-door Policy with China*, S.F. EXAMINER, July 13, 1997, at D7; Keen Silverstein, *The New China Hands: How the Fortune 500 Is China's Strongest Lobby*, THE NATION, Feb. 17, 1997, at 11-16; *The China Connection*, THE ECONOMIST, Mar. 15, 1997, at 30; Kenneth R. Timmerman, *All Roads Lead to China*, AM. SPECTATOR, Mar. 1997, at 30-38, and *China's 22nd Province (California)*, AM. SPECTATOR, Oct. 1997, at 26. For a particularly sensational report, see Rich Lowry, *Selling Out? China Syndrome*, NAT'L REV., Mar. 24, 1997, at 38-40. Even after the failure of the Senate committee to substantiate the original points raised by his article, Woodward continued to press his points based on leaks. See, e.g., Bob Woodward, *FBI Had Overlooked Key Files in Probe Chinese Influence*, WASH. POST, Nov. 14, 1997, at A1. For a different take on this point, see Joel Kotkin, *Asian Americans Left Holding the Bag*, WALL ST. J., Jan. 23, 1997, at A16; David Sanger, "Asian Money," *American Fears*, N.Y. TIMES, Jan. 5, 1997, § 4, at 1; *America's Dose of Sino-phobia*, THE ECONOMIST, Mar. 29, 1997, at 35-36.

7. David E. Rosenbaum, *Huang May Yet Testify to Senate Panel: As Hearings Open, Chairman Alleges a Chinese Plot*, N.Y. TIMES, July 9, 1997, at A1. Senator Thompson's opening statement can be found in the N.Y. TIMES, July 9, 1997, at A11. See also Lance Gay, *Foreign Influence - Lifting the Veil*, S.F. EXAMINER, July 6, 1997, at B1. Even as the Republicans on the Thompson Committee were publicly advancing the Chinese conspiracy theory. Sheila Kaplan of MS-NBC reported that no one on the committee subscribed to the theory. See Sheila Kaplan, *GOP Backpedals on Huang Accusation So Far; Hearings Are Leaving Republicans Dissatisfied* (MS-NBC television broadcast, July 21, 1997).

8. Francis X. Clines, *Campaign Panel to End Hearings on Fund-Raising*, N.Y. TIMES, Nov. 1, 1997, at A1; David E. Rosenbaum, *Political Realities*, N.Y. TIMES, Nov. 1, 1997, at A12. In its 1,500-page draft final report, the Thompson Committee blamed Clinton, Gore, and the DNC for widespread improper fund-raising, but it failed to substantiate the two primary theses of the Republicans. See Jill Abramson & Don Van Natta, Jr., *Draft of Report for G.O.P. Attacks Clinton Campaign*, N.Y. TIMES, Feb. 8, 1998, §1, at 1; David E. Sanger & Don Van Natta, Jr., *'China Area' Tied to 'Illegal' Gifts: Senate Republicans Can't Link the Contributions to Beijing*, N.Y. TIMES, Feb. 11, 1998, at A1. The draft report is so vague that the editorials of the *New York Times* and the *Washington Post* could not agree on its findings of the China connection. Whereas the *New York Times* saw credibility in the China thesis, the *Washington Post* did not. See *The Price of Scandal Fatigue*, N.Y. TIMES, Feb. 12, 1998, at A34; *The China Connection*, WASH. POST, Feb. 12, 1998, at A22.

political act. DNC chairman Ron Brown had quietly reinstated what his predecessor, Paul Kirk, eliminated in 1985—the constituent caucuses—and developed a race-based strategy in an attempt to expand the party's political mobilization and fundraising capability in various ethnic constituencies across the nation. John Huang, recruited to work under Ron Brown in the U.S. Department of Commerce in 1992, was brought into the DNC in December 1995 and 1996 specifically to raise "soft money" (\$7 million to be exact) from Asian American communities to help jump-start Clinton's re-election campaign.<sup>9</sup> Huang faced a daunting task. Asian American communities had very little of the big money and less of a tradition of political donation. As a result, Huang and others heavily relied on the "big money" of transnational Asian sources in Indonesia, Thailand, Taiwan, Hong Kong, South Korea, and Japan to meet their fundraising goals.

Dole, Perot, and anti-Clinton forces in the media might have seen John Huang as a liability for President Clinton and therefore decided to exploit latent racist and nationalistic sentiments against Asians. But when they accused Clinton and the DNC of selling the presidency to foreign Asians and Asian Americans, they deliberately conflated the two, failing to distinguish one group as citizens and treating both as foreigners. Overnight, Asian Americans were collectively and effectively *de-naturalized* in the eyes of the public.

Clinton and the DNC's response to accusations of foreign Asian influence indicated their minimal affinity with and commitment to Asian Americans and their readiness to play the "race card" when to their advantage. At the suggestion of Senator Christopher Dodd, the general chair of the DNC, several Asian American leaders hastily called a series of four pre-election national press conferences before the election in which they angrily accused Dole, Perot, and the media of being racist toward and unfairly portraying Asian Americans as foreigners and characterizing Asian contributions as "foreigners buying up America."<sup>10</sup> The strategy might

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9. The DNC Plan for the Asian American fundraising drive is entitled the "National Asian Pacific American Campaign Plan," code-name "Constituency Outreach Plan." The plan was drawn up in April, 1996, by the Asian Pacific American Working Group, formed in February, 1996, which included several prominent Asian American political insiders in the beltway. Ruth Marcus, *Oval Office Meeting Set DNC Asian Funds Network in Motion*, WASH. POST, Dec. 29, 1996, at A1; Tim Weiner & David E. Sanger, *Democrats Hoped to Raise \$7 Million from Asians in the U.S.*, N.Y. TIMES, Dec. 28, 1996, §1, at 1.

10. Press conference participants Stewart Kwoh and Frank Wu wrote in an op-ed column, "The Huang matter has become much more than an issue of partisan politics. It has turned from a question of one person's dealings into scapegoating of a racial minority group." Stewart Kwoh & Frank Wu, *Don't Build Reform on a Scapegoat*, L.A. TIMES, Oct. 24, 1996, at B9. The role of Senator Dodd in instigating this strategy of orchestrating press conferences of Asian American activists was not known until after the election. His role was discovered among the DNC documents subpoenaed by the Justice Department. See Jill Zuckman, *DNC Stumbles on Asian Issue*, BOSTON GLOBE, Jan. 19, 1997, at A1. The four press conferences were held in New York, Los Angeles, Chicago, and Washington, DC. The press conference in Washington, DC, included representatives from the Congressional Asian Pacific American Caucus Institute (CAPACI), the Organization of Chinese Americans (OCA), the Japa-

have been effective, but post-election investigations soon uncovered that many large donations indeed had come from questionable, if not illegal foreign sources, and the DNC was forced to return several million dollars. The illegality of the contributions embarrassed those Asian American leaders who had been called up to defend the DNC and made several national Asian American organizations vulnerable to editorial ridicule.<sup>11</sup>

Success breeds contempt. Clinton's electoral victory finally allowed the DNC to distance itself from the Asian American liability. Immediately after the election, the Democrats abandoned Huang and began to treat Asian Americans, including a few big donors, as if they were strangers or worse. Still under a continuous media barrage, the Democrats responded in two different ways to distance themselves in the public's perception from Asian Americans. First, the DNC decided after the November election to conduct its own investigation and to demonstrate its commitment to "clean money" by accepting money from *citizens only*. It hired private auditors and investigators to look for donors of allegedly "dirty money," which resulted in further targeting of Asian and Asian American donations. Many Asian Americans felt harassed and criminalized on account of their ancestry as the DNC tried to sanitize its image of the "Asian connection".<sup>12</sup> Second, the Clinton administration also decided to distance itself from Asian Americans in the appointment of high-ranking officials, thus renegeing on Clinton's promise to have his cabinet reflect America's diversity. Despite an organized national campaign led by the Asian Pacific American Coalition for Presidential Appointments, Clinton failed to name any Asian American to both cabinet-level and sub-cabinet positions immediately after his re-election.<sup>13</sup>

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nese American Citizens League (JACL), Filipino American Civil Rights Advocates (FACRA), National Conference of Korean American Leaders (NCKAL), India Abroad Center for Political Awareness, and the American Association for Physicians from India. See Michael Fletcher, *Coalition Says DNC Fund-raising Flap Generating 'Asian-Bashing'*, WASH. POST, Oct. 23, 1996, at A16; Connie Kang, *Asian Gifts Coverage Called Stereotyping*, L.A. TIMES, Oct. 23, 1996, at A11.

11. See, e.g., *The Asian Affair*, BOSTON GLOBE, Jan. 21, 1997, at A12; *The "Asian Bashing" Defense*, WASH. POST, July 10, 1997, at A18. There also were attacks by Asian American Republicans, most notably Susan Au Allen of the U.S. Pan Asian American Chamber of Commerce, who openly accused Asian American leaders and organizations for defending inappropriate fund-raising or wrong-doings by John Huang and others. See, e.g., Susan Au Allen, *Corruption Has No Color*, WASH. POST, Oct. 29, 1996, at A16. See also Ruth Larson, *Rights Panel Hear Protests; Asian-Americans Resent Stereotype*, WASH. TIMES, Dec. 6, 1997, at A4; April Lynch & Mark Sandalow, *Spotlight on Asian American Funds Probe Brings Unwanted Attention*, S.F. CHRON., Mar. 12, 1997, at A1.

12. On February 28, 1997, the DNC announced the results of its audit and its decision not to accept "any contribution from any individual who is not a U.S. citizen," meaning, "contributions from legal permanent residents" and "contribution from a U.S. subsidiary of a foreign company or any other corporation which is majority-owned by non-U.S. citizens" are no longer lawful and acceptable. Connie Kang, *Asian Americans Bristle at Democrats' 'Interrogation'*, L.A. TIMES, Feb. 27, 1997, §1, at 1; Alison Mitchell, *Democrats to Return More Money Received from 'Improper' Sources*, N.Y. TIMES, Feb. 22, 1997, §1, at 1; *Thanked with an Insult: Asian Americans Are Right to Be Offended by Democrats' Inquiries - An Editorial*, L.A. TIMES, Mar. 3, 1997, at B4.

13. Former chancellor of the University of California, Berkeley, Chang-Lin Tien, was among

## CLASS AND EXTRATERRITORIALITY

The question unasked during the controversy of the campaign finance scandal is whose interests do John Huang, Charlie Trie and other Asian American fundraisers really represent. John Huang himself has steadfastly insisted that his sole motive in raising funds for the DNC was to help empower and to represent the interests of Asian Americans.<sup>14</sup> He believed that the only way for the Asian American minority to gain political influence was to make significant contributions to politicians. Others agreed. For example, Keith Umemoto wrote in the defense of John Huang:

The relatively low numbers of APA voters compared with other groups and our scarcity of APA representatives holding elected offices accounted for our lack of political influence. One of the ways we have begun to generate success in gaining access and recognition has been through financial contributions . . . John left the private sector to devote his energy to public service and to help elevate the power of our community by serving a bridge between the influential Asian donors he had access to and the APA community in general.<sup>15</sup>

But did this bridge really exist? When we examine the fundraising schemes Huang and others had devised, targeted primarily at large Asian donors, it is clear that they represent the interests of only a very small group of people within the Asian American community—the handful of the business owners and professionals and, above all, persons with extensive connections to transnational Asian capital and multinational corporations based in places like Indonesia, Thailand, Hong Kong, Taiwan, South Korea, and Japan.<sup>16</sup> The majority of Asian Americans are middle- or

the casualties. See Seth Rosenfeld, *Tien Ties to Asia Money May Have Cost Him Job: Source Says Clinton Leery of Hearings for a Cabinet Post*, S.F. EXAMINER, Dec. 22, 1996, at C6. Even invited Asian American guests to the White House were subsequently subjected to humiliation and harassment. See Lena Sun, *Asian Names Scrutinized at White House; Guards Stopped Citizens Who Looked 'Foreign'* WASH. POST, Sept. 11, 1997, at A1.

14. It is unclear if Huang, Trie and the DNC knowingly conflated Asian Americans and foreign Asians when they decided to solicit donations from transnational sources. See Ying Chan, *Assailed Dem; Cash Man Talks*, N.Y. DAILY NEWS, June 16, 1997, at 6. See also the interview with John Huang in *Huang: Fund-Raising Charges Biased*, ZHONGGUO SHIBAO (CHINA TIMES) (Taiwan), translated by ASSOCIATED PRESS, Dec. 3, 1997. Huang said during the interview, "I only hoped to try my utmost to help Asian Americans exercise some strength." He also blamed "muckraking by the media" for what he called unfair allegations against Asian Americans. See also Glenn F. Bunting & K. Connie Kang, *From Hero to Political Hot Potato: John Huang Brought in Millions for Democrats while Working to Give Asian Americans Clout*, L.A. TIMES, Oct. 19, 1996, at A1; K. Connie Kang, et al., *For Huang, A Changed Lifestyle, Friends Say*, L.A. TIMES, Aug. 3, 1997, at A1; Michael Isikoff & Mark Hosenball, *Scandal: Calling All Lawyers*, NEWSWEEK, Nov. 11, 1996, at 46; Brian Duffy, *A Fund-Raiser's Rise and Fall*, WASH. POST, May 13, 1997, at A1.

15. Keith Umemoto, *In Defense of John Huang*, ASIAN WEEK, Nov. 29, 1996, at 7. I believe that this article is representative of the view of most of the Asian American political insiders.

16. For a highly Orientalized depiction of the major Asian figures involved in the scandal, see Lena Sun & J. Pomfret, *The Curious Cast of Asian Donors; Some Sought Access to Clinton, Others' Motives Remain Murky*, WASH. POST, Jan. 27, 1997, at A1. For examples of the various schemes used to raise political donations from Asian and Asian American sources, see Alan C. Miller, *Democrats Reimburse Temple for Fund-Raiser*, L.A. TIMES, Oct. 19, 1996, at A1 (referring to the Hsi Lai Tem-

lower-class and do not have the money to make the kind of political donations John Huang and others brought in.

The economic changes in Asia since the early 1970s and the influx of Asian immigrants, refugees and capital have given rise to both demographic and cultural diversity and class division and conflict within each of the many Asian American communities. This conflict is most viscerally captured by the infamous International Hotel in San Francisco Chinatown where poor Chinese and Filipino elderly have been fighting with Supasit Mahaguna, a Thailand-based Chinese landlord, since at the since 1973.<sup>17</sup> The poor and disadvantaged Asian American working class have been the real victims of transnational capital in their own communities.<sup>18</sup> John Huang and Charlie Trie, in fact, represent the class interests of those tied to transnational capital and, not infrequently, to foreign political interests.<sup>19</sup> There is no evidence that the foreign Asian donors had the welfare

ple); Rich Connell & Alan C. Miller, *Principals Say Temple Event Was Explicit Fund-Raiser*, L.A. TIMES, Nov. 3, 1996, at A21; Alan C. Miller, et al., *S. Korean Firms Vanish After Gift to Democrats for the Record*, L.A. TIMES, Oct. 17, 1996, at A1; Alan C. Miller, *Controversy Swirling around Gandhi Donation Grows*, L.A. TIMES, Oct. 24, 1996, at A22 (referring to Yogesh Gandhi); Alan C. Miller, *Democrats Return \$325,000 Gift from Gandhi Relative*, L.A. TIMES, Nov. 7, 1996, at A22; Glenn F. Bunting, *Democrats Return \$253,500 to Thai Businesswoman*, L.A. TIMES, Nov. 21, 1997, at A1 (referring to Pauline Kanchanalak); Alan C. Miller, *Democrats Give Back More Disputed Money*, L.A. TIMES, Nov. 23, 1996, at A1 (referring to an Indonesian couple); Jonathan Peterson & Sara Fritz, *Clinton Legal Team Returns \$600,000 in Contributions*, L.A. TIMES, Dec. 17, 1996, at A1; Judy Keen, et al., *Dinner Raised \$488,000—And Questions*, USA TODAY, Feb. 7, 1997, at 4A; D. Van Natta, *Donations to Democrats Traced to Phony Firms and Dead Person*, N.Y. TIMES, July 6, 1997, at A1; Nancy Gibbs, *Cash-and-Carry Diplomacy*, TIME, Feb. 24, 1997, at 22-25; Michael Duffy & Michael Weisskopf, *Johnny Come Often*, NEWSWEEK, March 3, 1997, at 24-28; Eyal Press, *The Suharto Lobby*, THE PROGRESSIVE, May 1997, at 19-31.

Thus far, three Asian Americans have been convicted of illegal activities in connection with campaign fund-raising. Nora T. and Gene K.J. Lum, wife and husband, were convicted and sentenced to 10-months imprisonment for funneling illegal contributions to several politicians. See George Lardner, Jr., *Two Donors Agree to Plead Guilty*, WASH. POST, May 22, 1997, at A8; George Lardner, Jr., *Judge Sets 10-Month Term in Political Donations Case*, WASH. POST, Sept. 10, 1997, at A6. The couple was also the focus of a television documentary produced by Michael Kirk and Kenneth Levis, *Frontline: The Fixers*, (PBS television broadcast, Apr. 14, 1997), and a long article, Peter J. Boyer, *American Guanxi*, NEW YORKER MAG., Apr. 14, 1997, at 48-61. Republican Congressman Jay Kim pleaded guilty to illegal fund-raising and misuse of campaign money. See David Rosensweig, *Rep. Kim, Wife to Plead Guilty to Misdemeanors*, L.A. TIMES, Aug. 1, 1997, at A1; Walter Pincus, *Kim Probe Found Wide Variety of Campaign Violations*, WASH. POST, Aug. 19, 1997, at A6. Charlie Yehlin Trie, a key figure in the scandal, surrendered himself to law enforcement authorities on February 3, 1998. See David Johnston, *Friend of Clinton Surrenders in Campaign Finance Inquiry*, N.Y. TIMES, Feb. 4, 1998.

17. Originally owned by real estate magnate, Walter Schorenstein, of Milton Meyer Co., the hotel was sold to Mahaguna in 1973. The struggle to improve living conditions in the International Hotel began in 1968. See Beatrice Dong, *An Analysis of the International Hotel Struggle* (Nov. 22, 1994) (unpublished A.B. senior honors thesis, University of California, Berkeley) (on file with the Department of Ethnic Studies, University of California, Berkeley).

18. See generally PETER KWONG, *THE NEW CHINATOWN* (1987), as a study of New York City's Chinatown since the 1970s that demonstrates this assertion.

19. See *id.* For articles on how foreign government interests influence and affect U.S. politics and government, see Jill Abramson, *Taiwan Won Platform Terms with Democrats*, WALL ST. J., Oct. 25, 1996, at A16; *Taiwan Political Donations Implicated in the U.S. Presidential Election* (in Chi-



and political empowerment of Asian Americans in mind when they made their donations through Huang. The alleged bridge between the two parts of the Asian American community does not exist.

While the Republican vilification of Asians as "foreign" is unjustifiable, particularly when considering its invidious impact on U.S. citizens of Asian ancestry, it is nevertheless true that foreign influence pervades campaign fundraising, reflecting a serious failure in our democracy. From the perspective of Asian American history, John Huang, Johnny Chung and Charlie Trie, in fact, are the "Johnnys-come-lately" in this story of foreign influence. Among the earlier big donors or fundraisers are figures like Eddie Chin of New York and Pius Lee of San Francisco of the 1980s; Tongsun Park and Susie Park Thompson of Washington, D.C., in the so-called "Koreagate" scandal of the 1970s; Ana Chenault of Washington, D.C., of the 1960s, a key figure on the Finance Committee of the National Republican Committee; and H.H. Kung of New York and Albert Chow and Doon Yen Wong of San Francisco in the 1950s.<sup>20</sup> Instead of representing the interests of lower- and middle-class Asian Americans in their local communities, they represented the interests of the transnational political and economic elite and their pursuit of profit, market penetration and political influence. In this sense, these individuals, in fact, did not do anything differently from what all businesses, foreign and domestic, routinely do in the U.S.—that is protecting their interests by buying political access and influence and extracting economic favors for themselves. This occurs whether the donors are the Riadys of the Lippo Group in Indonesia,

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nese)," YAZHOU ZHOUKAN (Hong Kong), Oct. 15, 1996; Paul Jacob, *In Jakarta: Riady's Actions Benefitted Indonesia, Says Suharto's Son*, THE STRAITS TIMES, Oct. 20, 1996, at 6; Sara Fritz & Rone Tempest, *Ex-Clinton Aide Arranged for Taiwan Connection*, L.A. TIMES, Oct. 30, 1996, at A1; Keith Richburg & Dan Morgan, *Taiwanese: Ex-Clinton Aide Said He Was Raising Money*, WASH. POST, Oct. 30, 1996, at A16; John M. Broder, *Taiwan Lobbying in U.S. Gets Results*, L.A. TIMES, Nov. 4, 1996, at A20; Michael Isidoff & Melinda Liu, *Scandal: Now, The Taiwan Axis*, NEWSWEEK, Nov. 4, 1996, at 32; Maggie Farley, *Claim of Campaign Offer Clouds Taiwan Diplomacy*, L.A. TIMES, Nov. 9, 1996, at A13; Maggie Farley, *Clinton Met Foreign Donor to Discuss U.S.-China Trade*, L.A. TIMES, Nov. 16, 1996, at A1; Evelyn Iritani & Maggie Farley, *Indonesian Fulfills Aim for Firm, Nation*, L.A. TIMES, Oct. 16, 1996, at A6; Stephen Labaton, *Indonesian Magnate and Clinton Talked Policy, White House Says*, N.Y. TIMES, Nov. 5, 1996, at A1; Sharon LaFraniere & Susan Schmidt, *NSC Gave Warnings about Asian Donors*, WASH. POST, Feb. 15, 1997, at A1.

20. No systematic study has been done of the ways foreign Asian governments have tried to buy political and foreign policy influence in the U.S. through the various Asian American communities. The following articles provide a glimpse into how Asian governments extended their extraterritorial domination into Asian American communities to interfere with American politics: Alejandro A. Esclamado, *The Story of the Marcos Coercion*; Woon-Ha Kim, *The Activities of the South Korean Central Intelligence Agency in the U.S.*; Brett de Bary & Victor Nee, *The Kuomintang in Chinatown*; and H. Mark Lai, *China Politics and the U.S. Chinese Communities*, in COUNTERPOINT: PERSPECTIVES ON ASIAN AMERICA (Emma Gee ed., 1976). For more general studies, see ROSS Y. KOEN, *THE CHINA LOBBY IN AMERICAN POLITICS* (1974); STANLEY D. BACHRACK, *THE COMMITTEE OF ONE MILLION: 'CHINA LOBBY' POLITICS, 1953-1971* (1976); and ROBERT BOETTCHER, *GIFTS OF DECEIT: SUN MYUNG MOON, TONGSUN PARK AND THE KOREAN SCANDAL* (1980). For a recent example, see Laurence Zuckerman, *Taiwan Keeps a Step Ahead of China in U.S. Lobbying*, N.Y. TIMES, Mar. 14, 1997, at A21.

the Bronfman brothers of Seagam in Canada, the Rothchilds of France, the Rupert Murdoch of Australia, or the Bill Gates of the U.S. Big money may often come in the form of donations proffered by foreign hands, but—like domestic big money—they are all motivated by similar transnational interests. The rise of transnationalism or globalism and multinational corporations has substantially challenged and eroded traditional notions of the nation-state, sovereignty, national borders, political loyalty, and citizenship. Subsidiaries of foreign-owned corporations in the U.S. are treated as U.S. corporations and, under the laws of the U.S., as persons with the same rights and privileges protected by the Constitution, including the right to contribute huge amounts of money, though not the right to vote. In this regard, the campaign finance scandal has raised important questions about whether transnational capital is undermining our democratic process by silencing the voices of individual citizens.

An integral component of transnationalism is extraterritoriality, for it allows immunity from the restrictions of sovereignty. This idea was imbedded in the infamous treaties imposed by Western imperialist powers on China between 1842 and 1949. Throughout the Cold War, the U.S. government, businesses, and non-governmental organizations (NGOs) carried on this tradition by interfering—both covertly and overtly—with other countries' political and business affairs, including massive use of public money to influence elections in over 100 foreign countries, the most recent being Boris Yeltsin's presidential campaign in the Russian Federation.<sup>21</sup>(19) The irony is in the double-standard we employ. America cannot bear the thought that its political process is being influenced by foreign governments and corporations, even as it is our Government's practice to routinely do so abroad. More ironic is that this ideal is a sham. Multinational money plays a decisive role in our "democratic" process.

Within Asian American communities, extraterritorial domination takes the form of a perverse reciprocity. Historically, racist and exclusionary policies confined Asian immigrants into ghettos. This "ghettoisation" of Asian America permitted the local business elite and the agents of foreign Asian governments to control the affairs of the Asian American community. The continued discrimination by the American mainstream against Asian Americans encouraged the rise of highly institutionalized extraterritorial domination by Asian governments as Asian Americans were excluded from allegiance to the U.S. government through the denial of any right to citizenship. The legacy continues to this day. For example, the Chinese American and Korean American communities

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21. See Norman Solomon, *Money Scandals: 'Mr. Smith' Goes to Washington*, STAR-TRIB. (MN), Mar. 16, 1997; Wendy Koch, *US Helps Sway Vote in Foreign Countries; Taxpayers Bankroll Overseas Programs*, S.F. EXAMINER, Oct. 24, 1997, at A1; John Broder, *Political Meddling by Outsiders: Not New for U.S.*, N.Y. TIMES, Mar. 31, 1997, at A1; James Risen & Alan Miller, *DNC Donor's Offer of Funds to Yeltsin Told*, L.A. TIMES, Sept. 10, 1997, at A1.

were used by Taiwan and South Korea to support their respective military dictatorships throughout the Cold War and to lobby the interests of the two governments.<sup>22</sup> Community dissidents or critics were invariably intimidated, harassed, and sometimes murdered. In recent years, foreign Asian businesses frequently use Asian American communities for their investment and as their covers or beachheads for launching their penetration into the American market.<sup>23</sup> Some of the most important fundraising activities of John Huang, in fact, fit into this historical pattern. If Asian Americans were to achieve full freedom and citizenship in the U.S., they must be liberated from this structure of racial oppression and extraterritorial domination.

### CONCLUSIONS

Race has been used to divert public attention from a severely corrupted system of democracy. John Huang was responsible for raising \$3.5 million, a minuscule amount when compared to the \$2.2 billion raised in the last federal elections. Yet, he and other Asian Americans are the center of the campaign finance controversy. Republicans vilified Asian Americans to incite public outrage over widespread political corruption, the media sensationalized them to sell papers and advertisement, and Democrats abandoned them in order to counter Republican criticism and to demonstrate its commitment to "clean money" and politics. Asian Americans were the straw men employed by both parties to blunt public demand for something both parties fear—campaign finance reform. In the process, Asian Americans were collectively denaturalized, marginalized, and disenfranchised.

This analysis does not mean John Huang and other Asian Americans are innocent victims of media and Republican racism. They, in fact, represent the tip of an iceberg of political corruption and a cancer of democracy arising out of big money and transnationalist influence. If we do nothing about it, more and more ordinary Americans will drop out of the political process, including Asian Americans, and democracy will exist in name only. Asian Americans have been dealt a severe blow and setback in the

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22. See ILLSOO KIM, *NEW URBAN IMMIGRANTS: THE KOREAN COMMUNITY IN NEW YORK*, 225-41 (1981); L. Ling-chi Wang, *Politics of Assimilation and Repression: A History of the Chinese in the U.S. since World War II*, ch. 8 (1981) (unpublished manuscript, on file with the Ethnic Studies Library, University of California, Berkeley).

23. The most famous example of extraterritorial domination and repression by a foreign Asian government is the political assassination of a Chinese American journalist, Henry Liu, by hired agents of the Taiwan government on October 15, 1984, in his home in Daly City, California, because he had written articles and books critical of Taiwan's president Chiang Ching-kuo. See DAVID E. KAPLAN, *FIRE OF THE DRAGON: POLITICS, MURDER, AND THE KUOMINGTANG* (1992). Only very preliminary studies have been made on the foreign Asian investments in Asian American communities. Among them are: KWONG, *supra* note 18; PAUL ONG, ET AL., *THE NEW ASIAN IMMIGRATION IN LOS ANGELES AND GLOBAL RESTRUCTURING* (1994); TIMOTHY FONG, *THE FIRST SUBURBAN CHINATOWN: THE REMAKING OF MONTEREY PARK, CALIFORNIA* (1994).

scandal. But, the disaster also presents a rare opportunity to learn, to clarify key issues concerning both the Asian American community and the nation, and to join forces with other public interest and community groups in a nationwide movement to achieve substantive campaign finance reform and to revive and restore democracy in the United States. Public financing of elections is the way to remove the cancer. While neither Republicans nor Democrats are genuinely interested in real campaign finance reform and have played the "race card" to divert public attention from political corruption, Asian Americans should neither allow themselves to be vilified nor condone this hoax of democracy.