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China

Perle: 'Prince of Darkness' in the spotlight

By Jim Lobe

WASHINGTON - Is civil war about to break out among the neo-conservatives who have championed the imperial trajectory of the Bush administration's foreign policy?

It's still too early to tell, but analysts are raising eyebrows over news that Richard Perle, the single most powerful hawk outside the administration, has been retained by Global Crossing to help ensure that Hutchison Whampoa, widely regarded by his fellow hawks as a front for China's People's Liberation Army, can buy a majority share in the bankrupt telecommunications company.

It's the latest in a series of revelations of Perle's business dealings that, at the very least, make clear why he decided against taking an official position in the administration of President George W Bush. It seems that Perle, for all his hawkishness, wants to get rich in ways that government service may not permit.

Those business dealings, which include interests in companies selling advanced computer eavesdropping systems and other "homeland security"-related systems to foreign intelligence and security agencies, have raised ethical questions about whether he is using his unpaid position as chairman of the Pentagon's Defense Policy Board (DPB) for personal gain. While the latest disclosure about his relationship with Global Crossing also raises ethical issues, the fact that China is involved - Beijing being considered by most neo-cons the power most likely to challenge US regional dominance in Asia - makes the case even more remarkable.

According to a notice submitted by Global Crossing, Perle would be paid US\$726,000 by the company, including \$600,000 if the sale goes through. Whether it will remain unclear, however. Both the Defense Department and the Federal Bureau of Investigation (FBI) have raised some "national security" problems with the deal because it would put Global Crossing's global fiber-optics network, which is used by the Pentagon itself, under Hutchison Whampoa's control.

What is particularly remarkable - not to say mind-boggling - is that one of Perle's closest neo-conservatives proteges, soulmates and veteran collaborators, Frank Gaffney of the Center for Security Policy (CSP), has been screaming about the dangers posed by the Hong Kong-based company to US national security ever since Panama awarded it a 25-year renewable contract to lease and operate the ports at both ends of the Panama Canal Zone in 1997.

Gaffney began working for Perle way back in the 1970s when they were both on the staff of Washington state senator Henry M "Scoop" Jackson, the "Senator from Boeing", devoted to derailing detente with the Soviet Union. Their bureaucratic machinations with then defense secretary Donald Rumsfeld and another Perle protege, Paul Wolfowitz, to frustrate a new arms-control agreement negotiated with Moscow by secretary of state Henry Kissinger earned Perle his famous nickname, the Prince of Darkness.

Under president Ronald Reagan, Perle became an assistant secretary of defense and named Gaffney as his deputy. In the 1990s, they worked hand-in-glove - Perle at the neo-conservative American Enterprise Institute (AEI), and Gaffney at CSP. Perle serves on CSP's board of advisors; they serve together on the boards of the US Committee for a Free Lebanon and the Committee for the Liberation of Iraq, and several other neo-conservative-dominated interest and lobby groups.

Gaffney, who warned that the Panama leases would put Beijing in a position to cut off the canal to US warships, if not take control of the strategic waterway altogether, led a bizarre campaign backed by extreme right-wingers in Congress and former defense secretary Caspar Weinberger to force the Panamanians to cancel the deal before the canal reverted to Panamanian sovereignty on January 1, 2000.

As recently as last August, Gaffney was insisting that Hutchison, which is owned by Hong Kong billionaire Li Ka-shing, is simply a cat's paw for China to further its strategic designs against Washington. In addition to the Panama Canal leases, he wrote in the Washington Times, Hutchison "is currently hard at work acquiring a presence for China at other strategic 'choke points' around the world, including notably the Caribbean's Bahamas, the Mediterranean's Malta, and the Persian Gulf's Straits of Hormuz. At a moment inconvenient to the United States, such access could translate into physical or other obstacles to our use of such waterways."

But while these geostrategic maneuvers were worrisome enough, the main point of Gaffney's article last October was precisely to point out the threat posed by Hutchison's purchase of a 61.5 percent majority interest in Global Crossing, the winner of a 10-year, \$450 million contract to operate a high-speed classified research network for Pentagon scientists.

Gaffney had a message for those who would support the deal going through. "Trade *uber alles* means, by definition, subordinating national-security considerations to the ambitions of those who seek profits through commerce. In a time of war like the present," he warned, "we simply cannot afford to pursue such a policy to its illogical, and potentially highly destructive conclusion."

Yet it appears that Perle has been retained to achieve precisely that result.

The deal adds to the growing perception that Perle is using his position as DPB chairman, and possibly his longtime friendship and influence with Rumsfeld, to further his own financial interests. Rumsfeld appointed him to the post within a few months of the administration's inauguration, and he has used it as a platform for almost continuous public exhortation for Washington to invade Iraq as a first step in transforming the entire Arab Middle East.

Perle's private interests first came to light in a controversial New Yorker article this month by veteran investigative reporter Seymour Hersh. He reported that Perle met with Saudi businessmen, including Adnan Khashoggi, in Marseilles two months ago as part of an effort to raise investment cash for Perle's Trireme Partners LP, a company specializing in homeland security and defense. Perle denied that the conversation had anything to do with Trireme and called Hersh a "terrorist".

Last week, The Guardian of London reported that Perle was also a director of a UK-based company, Autonomy Corp, with an option on 75,000 of the company's shares. The company, according to the Guardian account, is selling advanced computer eavesdropping systems to intelligence agencies around the world. Perle told the newspaper that he advises the company on market opportunities but that he has no input into specific procurement by US agencies, a point he also made with respect to the Global Crossing arrangement, which was reported by the New York Times on Friday.

The Times also reported that Perle participated last Wednesday in a conference call sponsored by Goldman Sachs on the subject of "Implications of an Imminent War: Iraq Now. North Korea Next?" which apparently discussed investment opportunities. It did not disclose whether Perle was paid for his participation or made specific recommendations about companies in which he has an interest.

As DPB chairman, Perle is not formally part of the US administration, and is thus not required to divest himself of commercial interests. But his influence and power with the administration are well known. Not only does he have a long-standing relationship with Rumsfeld and Wolfowitz, but he also has worked closely as a lobbyist for Turkey and the Israeli arms industry with Douglas Feith, the Pentagon's Undersecretary for Policy, as well as other senior Pentagon officials.

Perle himself has strongly denied that he was using his influence as DPB chairman to help Global Crossing. He told the Financial Times that he was only advising the company on the approval process and not lobbying on its behalf.

But a number of analysts say the contract's fee contingency, which is unusual in the Washington legal community, suggests that lobbying is precisely what Global Crossing had in mind. "The fee structure is especially smelly because \$600,000 of the windfall is contingent on government approval of the sale," wrote the Times' Maureen Dowd on Sunday.

"This is a conflict of interest," Larry Noble, director of the Center for Responsible Politics, told the Financial Times. "He's using his position on the board to win business."

But to Gaffney, who has yet to be heard from on the issue, and his fellow members of the anti-China "Blue Team", Perle's role in expediting the sale of Global Crossing to Hutchison must come as a major disappointment, to put it mildly.

After all, it was only three years ago that Perle joined with Gaffney and 15 other anti-China hawks from the Project for the New American Century in calling for unequivocal support for Taiwan in the event of a Chinese attack.

And in another public statement that could have been written by Gaffney, Perle charged that Beijing "is laying the foundations for an aggressive claim to preeminence in the Pacific. It ought to be very clear that this is a catastrophe for all of us, and could foreshadow a Cold War as bad as the last."

Of course, this is the same Richard Perle who recently called for Washington to pursue a strategy of "containment" against France but has no intention of giving up his summer home there.

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