

and Economic Co-operation. In its investigation into China's attempts to influence the 1996 U.S. presidential campaign, the U.S. Senate Government Affairs Committee identified CRE as a conduit for ëespionage - economic, political and military - for China.í Committee Chairman Senator Fred Thompson said that CRE has ëgeopolitical purposes. Kind of like a smiling tiger; it might look friendly, but it's very dangerous.íî

Sen. Trent Lott has described the Hong Kong firm as "an arm of the People's Liberation Army."

The company is headed by a Li Ka-Shing, the chairman of Hutchison Whampoa Ltd. Intelligence sources say he has deep connections with the Chinese Communist government.

"Li has invested more than a billion dollars in China and owns most of the dock space in Hong Kong. In an exclusive deal with the People's Republic of China's communist government, Li has the right of first refusal over all PRC ports south of the Yangtze river, which involves a close working relationship with the Chinese military and businesses controlled by the People's Liberation Army,î the AFP report stated.

"Li has served as a middle man for PLA business dealings with the West. For example, Li financed several satellite deals between the U.S. Hughes Corporation and China Hong Kong Satellite [CHINASAT], a company owned by the People's Liberation Army. In 1997 Li Ka-Shing and the Chinese Navy nearly obtained four huge roll-on/roll-off container ships, which can be used for transporting military cargo, in a deal that would have been financed by U.S. taxpayers.î

According to the Thompson Committee, Hutchison Whampoa's subsidiary, HIT, has "business ventures with the China Ocean Shipping Company(COSCO) which is owned by the People's Liberation Army.î

COSCO, which failed in a notorious Clinton-backed attempt to lease the former U.S. Naval base in Long Beach, Calif., has been criticized for shipping Chinese missiles, missile components, jet fighters and other weapons technologies to nations such as Libya, Iraq, Iran and Pakistan, the AFP report revealed.

"In 1996, the U.S. Customs Service seized a shipment of 2,000 automatic weapons aboard a COSCO ship at the port of Oakland, California. The man identified as the arms dealer, Wang Jun, is the head of China's Polytechnologies Company, the international outlet for Chinese weapons sales. Jun also sits on the Board of CITIC, China International Trust and Investment Corporation, the chief investment arm of the Chinese central government. It is also the bank of the People's Liberation Army, providing financing for Chinese Army weapons sales and for the purchase of Western technology.î

Li is also a board member of CITIC. U.S. intelligence sources have described the company as a front for China's governmental State Council.

Rep. Dana Rohrabacher, R-Calif., has stated that CITIC has been used as a front company by China's military to acquire technology for weapons development.

Last year a report by NewsMax.com.is Christopher Ruddy and Stephan Archer noted that a declassified report by the U.S. Southern Command's Joint Intelligence Center, prepared in October 1999 and obtained by the government watchdog Judicial Watch, said that "Hutchison Whampoa's owner, Hong Kong tycoon Li Ka-Shing, has extensive business ties in Beijing and has compelling financial reasons to maintain a good relationship with China's leadership."

The military intelligence report also warns that "Hutchison containerized shipping facilities in the Panama Canal, as well as the Bahamas, could provide a conduit for illegal shipments of technology or prohibited items from the West to the PRC, or facilitate the movement of arms and other prohibited items into the Americas."

Adm. Thomas Moorer, former chairman of the Joint Chiefs of Staff, has noted that "the Chinese have always indicated that the proper way to fight a war was not to make a frontal assault but rather to get around behind the enemy and cut off all their supplies.î

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