

## Australia Dossier by Lydia Cherry

### A glimpse of Australian powerbrokers

*One investigation into financial misdeeds has already forced Prime Minister Bob Hawke to fire a confidant.*

An ongoing investigation before the Western Australia Inc. Royal Commission has forced Prime Minister Bob Hawke to sack one of his "mates," the current ambassador to Ireland and former West Australian premier, Brian Burke. Hawke had insisted that there was no basis for the dismissal; other Labour Party officials, however, had maintained that Hawke's inaction had caused untold political damage to the government, and Hawke finally gave in. Burke is now being grilled for financial misdealings when he was premier, a post which he kept up until two years ago when he was offered a new job by Hawke, sources say, to get him out of the country, though apparently not soon enough.

Burke has been questioned at length in the Royal Commission hearings that began in mid-April; so has Laurie Connell, the former head of the collapsed merchant bank Rothwells, who faces 78 charges of corporate malfeasance and has let it be known he will drag more than a few down with him. Connell, according to one of the hearings' witnesses, has a photograph of himself with Queen Elizabeth hanging on one wall in his office. The witness alluded to the high level of protection Connell enjoys when he told the commission: "What I'm telling you is, it wouldn't have surprised me who I saw there."

Already Connell's testimony has forced a humiliated Prime Minister Hawke to admit that he had misled Parliament about the timing of his 1987 announcement rejecting a gold tax. Corporate high-flyer Alan Bond

has also been called to testify in an investigation that revolves around Burke's use of a multimillion-dollar account which may have been used in paybacks, tax avoidance schemes, and money laundering.

Another party in the investigation is Perth businessman Yosse Golberg, who is closely associated with the influential Leibler family in Melbourne (one of Prime Minister Hawke's best friends, by his own account, is World Jewish Congress Vice President Isi Leibler). Golberg fled Australia several months ago and was last seen in mid-May in Madrid.

The Australian weekly the *Jewish News* charged in mid-May that "anti-Semites" have targeted Golberg.

It is unclear how far this investigation will lead into the Hawke-Leibler-Sir Peter Abeles circle, where some Australian sources think it is headed. (Abeles is an Australian transport magnate.) These sources, however, note that numerous inquiries over the last decade had seemed to be headed in this same direction but were shut down, through one legalistic means or another.

Numerous investigative reporters, as well as other Australian observers, are convinced that were any of these investigations to be carried out fully, they would lead to the narcotics trade, in particular the transshipment of illegal drugs coming out of the People's Republic of China.

A second, seemingly very important investigation surfaced in the Australian press very briefly in mid-April. This investigation was stimulated apparently by the findings of Barbara

Smith, a Melbourne academic at the Phillip Institute of Technology. Speaking on April 18, Miss Smith charged that from her public accounts inquiry, she was convinced that "there are extremely powerful and privileged people favored [in tax avoidance] who may have some sort of control over governments in as far as they provide political funding."

She demanded that the names of those who devised and benefited from schemes to withhold taxes be made public.

Smith's allegations then led the House Standing Committee on Finance and Public Administration to extend its investigation of international profit shifting into an examination into the use of withholding tax schemes. Also coming to light through a parliamentary report, were multimillion-dollar schemes involving the use of offshore tax havens, which are thought to be used by organized crime syndicates.

One day after the Melbourne *Age* reported on Smith's charges, another friend of Prime Minister Hawke's and the brother of Isi Leibler, Mark Leibler, publicly blasted her. Miss Smith's "diatribes directed against non-existent powerful and privileged people who allegedly control governments and cleverly deceive the ATO [Australian Tax Office] are totally without foundation," he said.

Mark Leibler is a senior partner in the law firm Arnold Block and Leibler and an adviser to the tax commissioner. He is on the National Tax Liaison Group and is the chairman of the Law Council of Australia's Taxation Committee.

He went on to say that Smith's claims that huge amounts of taxes were being avoided through the use of withholding tax provisions were "stupid, outrageous, and without foundation."