

WARNING

In 1995 someone tried to blow up British Prime Minister John Major during his visit to New Zealand for the Commonwealth Heads of Government Conference.

A massive explosive device was located at Auckland's Sheraton Hotel. Police decided not to inform the hotel or evacuate guests or alert the media, for fear of creating panic. They took the risk and defused the device in situ.

On another occasion, the lives of everyone on board an airliner carrying a visiting world leader came within a nano-second of destruction, when an armed police officer shot a hole in the aircraft.

The common denominator in both cases? The public have never been told.

What else haven't they told you?

ABOUT THE AUTHOR

Ben Vidgen is a freelance writer/researcher and defence intelligence analyst. His work has been published in New Zealand, Australia and the US. As a researcher he has worked for Canterbury University and a number of corporations and non-profit organisations.

State Secrets, his first book, draws on his first hand experience (and the subsequent contacts he developed) within the Royal New Zealand Army, the intelligence community, corporate media and various subcultures within New Zealand.

State Secrets also draws upon his academic studies and long term research into intelligence, espionage, terrorism and organised crime. Ben lives in Nelson. He states his hobbies as stand-up comedy and playing in traffic.

STate secrets

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CONTENTS

THIS BOOK IS DEDICATED To:

Tim of the Moa, Queenstown, 1994-95, because I promised for your generosity, and your kindness I gladly keep my word. To All My Friends: I Cannot Describe The Pleasure I Experience When I Can Make You Laugh, And The Grief I Feel When I Can't.

in memory of

Major Robinson Richard Cocks, my mentor, my hero, my grandfather.

FOREWORD

For hospitality workers and anyone else who has ever had to deal with troublemakers on a daily basis.

Every day in crowded cafes all over the world, people read newspapers as they wait to be served. And every day, in crowded cafes all over the world, they find themselves drawn to specific articles - articles upon which they, the reader, may have some related first-hand knowledge. When this happens, people in crowded cafes all over the world promptly draw the conclusion that what is reported and what is reality are separate things.

Although purposeful suppression of information happens from time to time within the corridors of the corporate media, generally, the telling of half-truths falls more into the category of technical failure, ie. incompetence, rather than being an example of orchestrated manipulation.

Often the reason why the final copy from your press hack misses the point completely lies in the erroneous belief of many journalists that they are “jacks of all trades” or, as one journalist put it, “we’re paid to act like smarmy little know it alls, to be the universal expert”.

This is a task bound to fail, due to the very human factor that not everyone can speak knowledgeably about everything. When specialisation is discarded, the end product becomes a glaring declaration of the journalist’s own general ignorance regarding the specific history and particular culture of the organism which they have been sent to scrutinise in the first place. The more complex the issue, the more appropriate and likely this gross generalisation becomes.

On both television networks, for example, the journalists for the most part have no expertise in any one area. The same talent they bring to

bear on a story about a missing pet will be brought to bear on any other story they do.

They are given a formula to build their stories with: an introduction for the newsreader, then two paragraphs, then a seven second "interview" with one protagonist, then three more paragraphs, then a seven second interview with another protagonist, then a final two paragraphs and the story is complete.

In Kindergarten this is called "joining the dots", in art terms it is "painting by numbers" and in television it is "the network news".

The inability to report accurately is often compounded further by the fact that the media, as a collective creature, simultaneously suffers from ADD (attention deficit disorder), illiteracy, and gross amnesia. To translate information into byte form, the media defines the term "news" literally - "yesterday is only ever mentioned today if there's space to be filled".

Once in a while, mutants do come along to test this hardened formula; however, the need to earn a paycheck normally has the desired effect, and the search for truth and justice soon gives way to the pressure of mortgages and hire purchase repayments. In the press, the offenders most likely to be found swaying to the tune of maintaining the status quo are the "political commentators" - sad little creatures who take their cues from the civil service, where incompetence, self-importance, office politics, careerist motivations and hangovers dominate like decaying wood on a dead tree. In New Zealand a few mavericks, such as Bill Ralston and Warren Berryman, do exist. Yet the rule of thumb clearly states that in the norm, political journalists who are commercially successful, socially acceptable and actually talented (though operating under the spirit-destroying pressures of self-censorship) are rare.

In theory, a political analyst should be objective, without ideological bias, and should realise that to understand what's going to happen tomorrow today, one must first understand what happened yesterday. In short, the ideal is that they should be educated and without a political agenda.

The sins of the press gallery runneth over, but they shine brightest when the media is assigned to deal with the truly complex - defined as any event where the spin doctors at the Beehive fail to release a press kit or where they use the words "No comment", the standard response the Government wheels out whenever the issues of intelligence or espionage are raised.

"Catholic" style conspiracy theorists say that such a response is proof of the corporate media's duplicity with the powers that be, the power of

the intelligence agencies, and plans for world domination. The truth, however, is (probably) raw and boring. The media's inability to report on espionage can be compared with an individual attempting to umpire a game in which they are ignorant of the protocol, having failed to study the rules - an attitude which, if applied to the grading of students, would result in an appropriate F for effort.

Conspiracy theories involving the media and the powerful do exist, ie. Robert Maxwell and Mossad, Cecil King and MI6, Tony Blair's "New" Labour and Rupert Murdoch. Yet basically, the reasons for poor media coverage of (at least) espionage lie in the fact that there just are not that many journalists specialising in intelligence matters. It is simply not a good career move - and after all, why base your reputation and livelihood on people who are as fond of interviews as a royal in a French tunnel. From an editor's point of view, it is more logical to invite a former government analyst to write a column on the subject whenever such deviant issues escape long enough to become news. This option saves the editor the logistical and political problems of assigning a journalist to become specialised in this area. So what if, as a consequence, objectivity is put at risk? Some call it damage control, the editor calls it practical.

In exotic places like London and Washington there do exist small cliques of journalists specialising in espionage matters. Yet here in New Zealand, where no "friendly" agency has been caught red-handed sticking a dagger in the back of some law-abiding citizen (bar the Rainbow Warrior affair), the editor is safe to ask, "Why bother?" - ignoring the possibility that crimes may in fact be succeeding due to the failure of the Fourth Estate to investigate. The irony of the situation hasn't escaped the New Zealand intelligence community, in that the danger of unaccountability stems from the unclear position regarding the nature of its charter. Professional press coverage would certainly increase the pressure on policy makers to be more decisive in their dealings with the security services.

As for why this situation exists, and why there is so little in-depth reporting on a bureau that is certainly in need of constant vigilance (as much for the agency's sake as for the sake of the public), it is time to ask the waiter for the reality check. The corporate media is not about delivering information (at least not to the public): it's about making dollars. This is why it is called the corporate media, and not the "tobacco kills people media", or the "war is profitable media". The corporate media doesn't want to educate people, it wants profit.

Herein lies the primary explanation behind the rise of “infotainment”. Crap sells newspapers, and the number of newspapers sold equals the quantity of advertising space sold. In the owner’s uncomplicated mind, this equates to the number of holidays spent in the South of France. The tradition is set - so what if you can’t swim in the surrounding sea because some other corporation (whose public relations department contributed heavily towards the purchase of your second Lear jet) has dumped so much toxic ooze there that the fish will glow in the dark for the next 20,000 years.

Modern newspaper owners do not want their “journalists” earning their keep by investigating organisations which have the potential to affect the paper’s sales in a number of ways - such as leaking details of a sister company’s own toxic dumping project, or the delivery of sensitive economic details to competitors. This is not a cover-up - the term “cover-up” implies hiding details. In the owner’s case, they simply don’t want to go looking in the first place, on the offchance that something might actually be found. The average owner of your average Republican-orientated “Pax Americana” trans-national news syndicate (cynically referred to as “information brokers”) is, of course, unlikely to give you such an in-depth answer.

What this book attempts to do is to correct this situation by doing what the media has failed to do - to examine the role of covert operations conducted within New Zealand by foreign intelligence agencies; to examine the role New Zealand has played in covert operations within the Pacific (and sometimes else where); to look beyond the headlines and into the rotten heart which produces such a complex blasphemy. It is a story which critics will no doubt label just another conspiracy theory - to which I reply: “Of course it is.” History is full of conspiracies. Why? Because shit happens, all over the world, every day - sometimes even in crowded cafes.

Introduction

“The city was built to see what makes us tick...last night one of us went off” Dark City (the movie, 1998)

If you are absolutely desperately keen to get into the action of this book, you can skip through to Chapter One, but if you'd like to know the context behind this book I strongly suggest you read the following:

I am looking at my bed - or I would be if it wasn't hiding under a stack of papers. It's laughing at me as I haven't seen it in the last 48 hours (deadlines are a bitch). In fact my entire office looks like someone has chucked a hand grenade into a stationery shop. The ashtray is overflowing and the coffee cups litter the place in various stages of decay and evolution.

Most of the work has been done and now I am left with the task of telling the readers exactly what this book is about and why you should consider the contents within.

The publisher tells me that my self-selected title *“The Nasty Bastards Hypothesis”* has been replaced with the current title (which is a suitable title except perhaps I would have called it *Secrets of the State* - a minor change but I feel a significant one). (And one, the publisher notes, that unfortunately was too close to *Enemies of the State*, another book on a similar subject)

I suppose I should start by explaining what a nasty bastard is, why I view what I have written as a hypothesis (and not a theory), and put your image of Ben C. Vidgen in its proper context.

A nasty bastard is a stupid person. A person who through their fear of themselves, feels that they must have power, that they must be in control at all times. It's their fear that makes them stupid, it's their fear that makes them dangerous, it's their fear that leads them into such lines of thought as “the ends justify the means”, and it's their fear that causes them to lash out at anyone who challenges their position.

A nasty bastard is a terrorist, someone who uses terror to instil fear in others. A nasty bastard is an ill person infected with a highly infectious disease. This book is about Nasty Bastards, it's about what they do, where they can be found, how they operate and most importantly I hope this text underlines why they choose to operate in the manner that they do. It is my hope that if we can understand such people then we don't have to fear them. For it is my belief that if you can understand fear then you don't have to live with it.

This book is the hypothesis behind that belief. I use the word ‘hypothesis’, for a theory is insufficient to describe the point of this tasking. A theory is when someone says ‘I think this because of that’. Yet theories are a dime a dozen. It’s my objective to say ‘this is the theory, how can we test it?’, for that is the nature of a hypothesis. It’s my theory that answers are best discovered following the asking of questions. You might not ever find the truth but that’s no reason to stop searching for it. How did I come to reach this verdict?

Once upon a time there was a little boy who liked to write stories. One day he moved to a new school and they couldn’t understand his handwriting so they asked his mother ‘why?’ She replied, ‘oh, he’s dyslexic.’

They didn’t understand what that meant and they didn’t ask. But that didn’t stop them from taking him out of his class without explaining to the little boy or his parents, what was happening. They put him back with the “little kids”. He wasn’t allowed to write stories there. He had to write the alphabet over and over and over again. Here he had to read “Spot Sees the Ball” books. The little boy thought this was kind of silly and as the teacher didn’t want to listen to the little boy, the little boy walked out of the school, went home and read “Lord of the Rings” instead.

The school wasn’t very happy about this so they sent the truant officer to the boy’s home. The truant officer also happened to be something called a Maori elder. The boy didn’t really know what that meant but he thought the Maori elder had a really cool-looking walking stick. The truant officer looked around and saw the boy reading, and he said to the boy’s mother “don’t worry, I’ll keep them off your back”, and he did. Oh, and the little boy kept writing stories.

At some point during all this the little boy thought he might want to be a soldier, and eventually he heard of the Special Air Service. He primarily wanted to be in the SAS not because they were the best, not because they were tough, but because he had seen them slide down ropes and rescue people who were being held hostage by terrorists. He didn’t really understand what that word meant, but he knew what terror was, and for reasons that even now I can’t explain the little boy felt his jaw go tight and, he knew that any one who inflicted terror wasn’t his friend.

During this same period the little boy saw a film, made by a man with a name that burnt itself into his young mind. The name was John Pilger. The film was called *Year Zero*, and it was about a different kind of terrorist. What impressed the little boy was that this man liked to write stories and that his stories had caused people to give without asking a

quarter of a million pounds to the victims of these terrorists. The man had managed to make people care: the little boy thought that was pretty cool. The little boy had just had his first lesson in journalism. The little boy thought that maybe he'd like to become a journalist.

At around the age of thirteen the boy started developing spots and a little reality started creeping into the lad's mind. Though at this stage the lad could tell you a whole lot about the SAS, terrorism, and guerrilla warfare, for his entire book shelf was devoted to these subjects (minus the magazines under his bed). He decided because he was told so, that he would probably not make a very good SAS soldier. So instead he thought he might like to be a counter-terrorism analyst (the lad was a bit weird).

Still, at fifteen he hadn't given up the idea of journalism, until an English teacher asked that eternal question: "What do you want to do when you leave school?"

When the boy told the English teacher he was met with a derisive laugh. The little boy suddenly re-emerged and the lad decided that soldiering was an eminently more sensible career choice.

The lad went to a new school shortly afterwards and met some teachers who didn't seem bothered about his hand-writing, in fact they encouraged him to write and the lad went onto university. The lad always remembers that school very fondly, he remembers especially his English teacher, his history teacher and his psychology teacher, and his friend Bill the teacher. Oh, and what did he study in psychology? Terrorism and the nature of aggression.

By the time the lad reached university he had heard of an organisation called the Security Intelligence Service and he thought that they sounded like the ideal organisation for him to join. To this end at university he studied political science, history and any subject that he thought might make him stand out to the SIS. All his essays were either about political terror or military conflict. If they weren't then he'd go to his lecturers and ask if he could change the essay so that it connected to this subject. The lecturers seemed to like the lad so they always agreed.

In the meantime the lad was keeping his options open, and to supplement the architecture of his CV he joined the Territorial Force. He chose the Royal Artillery Regiment for two reasons. Firstly this was the branch that his grandfather had belonged to. And secondly they were the only TF unit that allowed you to go straight into intelligence through the position of Artillery Intelligence Operator. How was he as a soldier? The answer is best encapsulated by one of his NCO's who

once said “Vidgen, I like you on the field, in the barracks you’re a complete failure” (and he was).

The lad stuck with soldiering as a TF soldier, and he was always looking for intelligence openings. From time to time he would get lucky. Yet the response was always the same. Certain individuals, and he noted that they were ones with a passion for their job, liked the lad and indeed they seemed to find the lad refreshing and subsequently they said many things that they probably shouldn’t have. However the units were always controlled by the kinds of people who seemed more concerned with their image. They were the kind of people who did certain things in a certain way because that was the way that they had always been done.

But to the lad the thing they seemed to hate the most was the fact that he did not just accept the status quo: he would always ask ‘why?’ or ‘how come?’

Nor were they particularly impressed by the lad’s complete disregard for the chain of command. They didn’t like the lad’s big mouth, or his gung ho attitude, it seemed to scare them.

As for the SIS, well, they contacted him once but before they had a chance to ask him any questions, something scared them as well and they ran off at a very fast pace. This really didn’t bother the young man for by now he wasn’t really so sure if working for the SIS was the thing that he really wanted to do any more.

For, during his four years at university, he’d looked long and hard at terrorism, its history, its ideology and its methods, and the lad came up with some uncomfortable questions. Likewise his time in the Army, the conversations he had with some of these people, had also raised a lot of questions and the young man didn’t like some of the answers that he was starting to get.

In the meantime the young man had heard of other organisations where he could apply his talents, all he needed was a higher academic qualification and if he didn’t get in there, the lad thought, he could always hide himself away as an academic instead. He looked at the fact that he didn’t have any lectures on a Friday or a Monday and his day didn’t start before ten. He looked at how much skiing he was getting in, and he found the idea of an academic life rather comfortable, even tempting.

But things were changing in our young man’s country, things were changing rapidly. Suddenly without warning, without the time to plan, student loans were introduced. Suddenly the part-time jobs that the young man had always had were being snapped-up as student

allowances were taken away. Suddenly the bank didn't care that the young man had always paid his loan off on time every year. He went to a new bank. They were understanding, for a while. Then that manager was replaced and the new manager wanted his money, the money off the young man, the money off all the young man's friends and they wanted it now. The young man was bloody-minded, so he fought and he hung on, he ducked and dived and he sold Marijuana (and through this he met a lot of interesting people).

So he got his piece of paper in the end, where others had simply quit, but he knew the odds, it was time to resign from academic studies, time to get a job. The young man did what all BA students do: he became a waiter.

He found being a waiter very difficult, primarily because the chefs had trouble reading his hand-writing. He found doing a number of tasks difficult because they normally involved tills. Tills involved numbers, and the young man had - and continues to have - problems with numbers. Numbers meant thinking in a linear fashion. The lad's mind just didn't work like that, his mind was visual, it required something he could picture. His mind jumped all over the place, it allowed him to take all the little pictures and format them into one big picture. And other jobs? Well, they didn't allow him to think and he got bored and then he would get frustrated.

The lad went to the bank to see how much of his debt had been paid off. The lad was surprised to find his debt had gone up. He discovered that the amount of interest he had been told he would have to pay was in fact at a rate much higher. The lad did the figures and worked out how long it would take to pay off his debt, how long it would be before he could go back to university. Then the lad got angry.

The lad looked at the fact that his wage was half of what it had been when he had started waiting tables five years earlier. The lad felt it was unfair and that it seemed that the only way to get ahead these days was by cheating. He went to the bank and asked them to lower the interest rate. The bank, naturally enough, said no. He looked at his options and he thought that the bank was being rather silly. The lad went and declared himself bankrupt and hey presto his debt disappeared and so did his credit rating.

The lad didn't care. If that's how they wanted to play the game so be it. The lad resumed selling marijuana and he nearly moved into other forms of crime as well. The lad discovered that he didn't really like crime, but he didn't know what to do. He couldn't think. He was scared. He was becoming afraid of the future, he was afraid he was a failure.

Although his situation was a little different, on the whole he wasn't alone. A lot of his friends felt scared. Some sold pot, some sold their bodies, others took their high IQ's and they invented new forms of crime. Eventually most realised that this was not the way and they adapted, they created new plans. Some of these friends never stopped being afraid, some went under, some never figured out how to beat the fear. The young man slowly grew up and he made his share of stupid mistakes. He was helped however because at one stage he realised that if he didn't sort himself out he was going to be a joke all of his life. He thought he deserved better than that.

He re-joined the Army because, for all of its faults, he knew it was bloody good at kicking people in the arse. It was a good decision this time around. One of his NCO's was in fact a soldier from 1 Squadron of the SAS (recovering from an accident)¹, the little boy's idols. This soldier never shouted but the fact that he always had his own shit sorted out made you willing to listen, willing to do what he said quickly and as well as possible.

The instructor once said something that stuck in the young man's head "discipline is not doing something because you're ordered to or because you have to, discipline is always living up to your own standards".

The lesson didn't sink straight in but eventually it got there. In the meantime an adult in his mid-twenties started working as a freelance journalist and researcher (thank God for word processors).

Researching wasn't so difficult but as a journalist he had to teach himself. He had to learn about source authentication, about checking facts, about never taking a person at their face value (which I still find difficult to do). His early stories make him blush today but he was not too hard on himself for he knew that whatever he wrote, that in time he'd look back and think it was crap. You learn, you adapt, you develop.

Having spent some time in Australia the novice journalist returned to New Zealand where he heard a specific story. The story was significant because it was part of a story that I had known in my guts would be a story as early as way back in 1989. It was a story that I had been collecting information and been asking questions for ever since. This part of the story was the missing part and now I knew where to find the other parts. Now I felt that I had learnt enough to write the story properly, that I had learnt enough to treat the story with the justice it deserves. This book is that story in it's whole.

¹ Instructing a TF infantry course is basically the SAS equivalent of light duties.

How do I think people will react when this book comes out. I suspect a lot of people are going to cross me off their Christmas card list. I'm not that worried as most of these people are what I consider "Nasty Bastards". But there are four other means by which the Nasty Bastards might react.

The first is the most sensible. Do nothing and wait until the TV generation finds a new flavour of the month. The problem with Nasty Bastards is that they're stupid and stupidity makes people dangerous.

So in the second instance I could open the door one day to have my pretty little computer blown out through the back of my skull, for writing this story, as my more dramatic friends keep informing me. I think that's unlikely. The Nasty Bastards aren't that stupid. Besides if they did decide to respond in this manner it's more likely that I'd meet with a sudden unexpected accident or even a sudden illness (as has happened before). Yet if this did happen all it would do is serve to authenticate my claims. But even if it is a possibility it doesn't really bug me that much, for I'm doing what I love. I'm not a martyr (I look stupid in a toga) but I do believe in the human soul, and I believe the soul is bullet proof, and if it's not then it doesn't really matter does it? To me it's that simple.

The third thing that the Nasty Bastards could do, if revenge was their kick, if they were truly stupid, is to get at me through my weak spots, to target my fears. For me that would be my people, those who I care about. My initial thought was that if anyone touched any of my people, a sequence of events would be set in train, and then someone would be having a bad day, A VERY BAD DAY INDEED.

I took a step back and decided that that sort of reaction would be the worst thing I could do. It wouldn't help my people, and it would destroy everything that I have worked towards. That sort of reaction stands for everything that I'm against. So I wondered what it was that I should do. I spent a lot of nights thinking (and dreaming) and remembering all the means by which the Nasty Bastards could hurt those I consider as my most valued treasure. Then I took these scenarios and I broke them down by the numbers. At this point I grabbed a large pot of coffee and a carton of cigarettes (food fit for a king) and went and did some thinking, and from this I created a plan.

In the military the plan that I came up with would be termed 'defence in depth'. A series of intertwining and mutually-supporting defences, like the 'photographs, tapes, funny files and other bits of undisclosed information copied many times and placed in a lot of locations'

‘Defence’¹. The ‘remember why Switzerland was never invaded’ defence, a cryptic remark which specialists in economic and information warfare might understand. The ‘for goodness sakes, if you’re going to play poker with cheats then take along a fifth ace’ defence, and finally the ‘Polish Intelligence Defence’. These are all defences that are designed to ensure that certain terrorists keep their dogs on their chain.

The thing I like about these specific types of defences is that they allow me to tell the story, as it should be told. They’re honest defences and I don’t think Nasty Bastards really comprehend what that word means. It’s just too scary for them to understand. The core of my defence plan however is that if someone did go after my people and I was left standing then I would go after them. I would go after them by targeting their fears. The fact that they felt so scared by what it was that I was doing that they felt that they had to resort to this level in the first place would demonstrate to me where to aim. Some people may consider such a defence as being rather ruthless. They’re correct, but it’s also the most effective way of protecting my people.

The fourth means by which the Nasty Bastards could respond is by besmirching my name, by discrediting this work by attacking its author, the assassination of character. The fact remains I’ve done a lot of stupid things. The fact remains that by conventional standards I can be described in a word. That word is dodgy. History is full of good people who were brought down by lies regarding their reputation. In my case there are many things that if told out of context or spun in a certain way could make me look bent. Yet in my case there are things that don’t even have to be spun. They are bent. What can I say, I have a habit of taking the rule book and tossing it over my shoulder. Yet the fact is if any of my past came back to haunt me it would only do so because by daring to stick my head up I have given the Nasty Bastards the motive to chuck something at me. If I hadn’t they would have left me alone. But I won’t do that because the only motive I have to do so is fear and I refuse to be afraid of the Nasty Bastards, they’re just not worth it. So the Nasty Bastards can do what they please, I don’t give a damn. Maybe they could find something, maybe not. At the end of the day the people who know me know what I would or wouldn’t do and I know what I am, and to me these things, not my reputation, are the things that are important.

In my twenty nine years I have only ever done one thing that I cannot forgive myself for, one thing for which I still feel deeply ashamed. One

¹ Also known as the Brian Toohey defence.

thing for which I have no justification. In May 1994 I burgled a flat in St Albans Street. I took some cash, some personal effects, and the World War I medal of the flat owner's grandfather. It was the stupidest, nastiest, most inexcusable action I have ever committed. For the rest I claim the Robin Hood defence.¹

That medal became my own Poe's haunt. Eventually I chucked it in the Wakatipu (the trough of monsters) and I can still hear its heart beating. It reminded me of my own grandfather, and it reminds me of what he stood for in my own eyes. My grandfather was a quiet man and my grandmother did a pretty good job of keeping us out of his way, he obliged her by keeping out of our way.

The first time that I ever gave him any real thought came when I was about nine. I was tearing through the house trying to find some reason not to go to bed. I went screaming past my grandfather who was reading a book in the lounge. I screeched to a halt, asking my grandfather what he was reading. We ended up having a conversation on history - that is to say, my grandfather taught me what history really meant. He did this by telling me about my own ancestry.

Aside from the fact that my family tree seemed to be full of sword-waving loonies, it was the fact that I wasn't really his grandson but his step-grandson that stunned me. Yet he cared enough about me and my siblings to know this information about our family tree. From that point on and ever since I have considered Pop, grandfather in full. The next day Pop went and did something that to my knowledge he had never done before. He took one of his grandchildren shopping. I was allowed anything, as long as it was a book. I saw a brightly coloured tomb displaying a one-eyed man chewing a cigar and firing a machine gun on the cover. The title bore the legend "BATTLE ACTION", and it was my first love. I seized the book with both hands, I looked to my grandfather for approval of my decision. For just a second my heart sank as a disapproving glance danced across Pop's face. Yet when I looked again Pop was smiling. "Yahoo". I grabbed *Battle Action* and headed for the counter.

I never forgot that look and I think about it often. My grandfather had spent five years in some of the bloodiest theatres of World War Two. It was not uncommon for him to wake up and breakfast with his mates and to end the day having seen some of these friends torn to pieces before

¹ I turned myself in to the police, in Nelson, just before publication of this book, and await their judgment.

his eyes in the in-between. Yes I think I know what that look means now.

Pop never took me shopping again but the next year he sent me a book titled "Valoons Lives", the author's name escapes me. But I remember three things about that book. It was published in the summer of 1939 and it's author didn't have a very high opinion of Mr Hitler. Secondly each chapter started with an academic historical biography of a particular character in history. It then went on to the hypothetical scenario of what would happen if you could sit down and have dinner with such characters. It took dates, places, and figures and turned them into people whose motives, feelings and dreams could be understood. It turned history into people, took deeds and gave you emotion, it took something dead and gave you something alive, for history is a living thing and that should never be forgotten.

Thirdly it was the best book I have ever read to date. Pop always gave me encouragement. He wasn't a great talker and for many years I was under a false impressions about what his politics and beliefs were. Then one day I suddenly realised that it was my grandmother who did all the talking while Pop sat back, listening, and let you make a fool of yourself. The cunning old sod.

After his funeral my grandmother gave me first choice from his library. They had moved and it was a lot smaller than it used to be. But that didn't matter, I only took three books. One on the history of the Royal New Zealand Artillery, one Peter Arnett's *Live from the Battlefield*, and one entitled *Friends in High Places*.

I read those three books, and I suddenly wished I hadn't stayed away from Pop as much as I had in his last years. I stayed away because of the medal. It had stopped me from being able to look Pop in the eye. I was afraid that he would be disappointed in me. Fear makes you stupid. I never got caught for that burglary (or for any of my mischief for it has to be said I was a good criminal) so you might ask why I am talking about it now?

When I was in Sydney I was introduced to a man who, let's just say, was well acquainted with the Irish Republican Army (IRA). We were having an interesting conversation on terrorism, a lively subject for we both knew something of the matter from, of course, different perspectives. It was also made interesting in that I wasn't being critical.

I've sat down, over the years, with a number of people with this man's disposition and I've learnt one thing¹, don't judge. You listen. You learn. You become informed.

To us Northern Ireland is twelve thousand miles away, we have the luxury to choose sides, to be able to label one side as patriots and the other side as murderers. To these people it's an emotional issue. It's something they live, it's something they are brought up in the middle of. It's an environment of hate, a climate of fear. It affects them, their families, their friends, their grandparents and even their great-grandparents. They didn't choose a side. Rather, it was beaten into them. They're simply a product of their environment, as most people are.

We had been talking for a while on the subject of the IRA's methods, when we got to a story about the IRA accidentally killing the wrong person, at which point I exploded (diplomatically) "I understand that you hate the British, I can understand that you believe in what you are doing, but for goodness sake how do you expect the people to give you any authority when you turn around and do the very same thing that you accuse the British of doing? If you ask me you should take that man's killers and hand them over to the authorities, acknowledge the crime.

"Because if you don't, people are always going to think that you're just another bunch of hypocrites."

He looked at me and started to protest, then he stopped and his mouth hung open.

"You know boy, I think you might be on to something."

I thought so.

I believe in what I write, but then everybody these days claims to know the truth. How in the hell are you meant to believe what I say as being more valid than anyone else's expert opinion. I can't answer that question but at least you know to what degree I'm prepared to face the consequences for not only my words but my actions. You know the basis of my authority, you know my intent.

I have chosen to introduce myself in this manner because over the past two years I've told people what I'm doing and how I am doing it. It seems to have struck a chord and people, often without having been asked to, have chosen to help me out. From the people who fed me 'Ben Bagels' and turned a blind eye to the size of my tabs, allowing me to eat when I was on the bones of my ass, to the people who have

¹ New Zealanders may be surprised at how many people come to New Zealand for the sole purpose of hiding.

literally put their necks on the line: I'm indebted. If I didn't do it this way I would be abusing the faith they have chosen to show in me, and I couldn't do that to my people, for that would be an abuse of trust and I think they're owed more than that. If I did that then I'd just be acting like a Nasty Bastard, so I'll keep my end of the bargain. I keep it gladly.

What I did at St Albans Rd was wrong, it's that plain, it's that simple. The bottom line is that I was feeling bad about myself and I went and took it out on someone who had never done me any harm. I took that person's feelings and I considered them of no significance, I took the trust that person had held and I went and pissed on it like it meant nothing, I inflicted terrible hurt, childish is as childish does, and that is inexcusable, it cannot be justified, so I won't try.

I could keep it a secret and not face the consequences, but if I did that I'd be doing exactly the thing that causes me to detest the Nasty Bastards as much as I do. Was I a Nasty Bastard? No I was just being stupid.

If I was to describe a real Nasty Bastard I'd take my friend Jason. Jason is in jail for rape. When I think what it is that he has done I'm torn. Part of me feels "Oh God, buddy, were you really feeling that scared, were you in that much pain, that you had to go and do something that terrible to let us know, oh my poor poor friend."

Another part of me looks at what people like Jason have done, what they have done to so many of my friends, and I just want to walk up to him and shoot him in the head.

I do know that as much as I love this guy I never want to see his face for the rest of my life, and I hate that feeling and I hate him for making me feel that way. For me the worst part is not what Jason did but the circumstances and the consequences of his actions. He was at a party, he met a girl, they started smooching, somehow they ended up in another room. Jason started his assault, the girl said no and then she resisted, then she started fighting and screaming and as she screamed Jason raped her, laughing as he did so. In the other rooms the rape could be heard. People knew what was happening, they looked at each other and they simply pretended that it wasn't happening. They let it happen. The girl knows this and now she not only has to live with the illogical but unbeatable guilt, not only does she have to live with the fear it instilled in her but for the rest of her life she has to live with the fact that people knew it was happening and they did nothing. What do you think that does to her trust. Her trust in people and more importantly her trust in herself. It takes that trust and it blows it out the window. The probability is that the woman will for the rest of her life (or at least for a

long time) be putting herself in stupid situations, setting herself up to fail and generally beating herself up, she'll punish herself. She'll somehow think it's her fault that somehow she should have known, that somehow she deserved what happened.

In reality she didn't do anything but trust someone, the consequences are just sad. For why in the hell should she trust anyone again, and why should she trust herself? She did that once, and look what happened. I write this, and I'm filled with hatred for my friend, and I hate that. That's what Nasty Bastards do, that's why I can't abide them. I can't forget my friend, the person who always gave me his support, who was always interested in what I was doing, the person who loved his family and who with good reason was loved by his family. But nor can I forget what he did to that woman or how he must have made her feel. Jason hurt, not just the woman, but he hurt her family, he hurt his family, he hurt her friends, and he hurt his friends, and in the end he hurt himself. What a fucking waste. Yet what Jason did to a single individual, and the circle of people connected to these two people, in one brief act we have witnessed happen to this entire country, nay the entire globe, slowly and repeatedly over the last decade. The statistics for crime, suicide, alcohol and drug abuse, increasing debts, all indicate the truth of my claim (in regards to this country), yet it's the look on peoples faces these days that proves it to me.

And how do people react? They react like the people at the party. They behave like the woman after her ordeal. We've become a country of victims, the victims of terrorism. This book looks at an aspect of terrorism, the face of corruption, of terrorists with guns. But these are just one form of terrorism.

When I sat in the bar with the IRA man, a friend had been serving us: she'd be dead a year later from a different form of terrorism.

I burgled a man's home, that was another form of terrorism, and Jason is yet another mask of the face of terrorism. Big business and the APEC groupies (who arrive in this country in the not too distant future) would suggest yet another form of terrorism. But in the end terrorism is simply the act of scared people attempting to steal power off others, to hide their own fears. It's stupid but that's Nasty Bastards for you. So let me display for you some of their fears, the things they try to hide from us.

There is perhaps one final incident which I should cite which perhaps alludes to my motives and demonstrates how my mind works. In 1987 I left school and, prior to going to university, I went to work in Queenstown as a waiter. I hadn't been in town long when I walked into a clothing shop for no particular reason, just window shopping. I hadn't

been in the shop long when I was descended upon by the saleswoman. She was in her thirties and reasonably attractive in a rather haughty manner.

I remember thinking that my first impressions of her were, if I had to sum it up in a word, avarice. I immediately went on the defensive thinking “bloody Queenstown salespeople”. I looked at her face and sure enough there was the false “hey, I’m your friend” smile, the consciously projected look of “hey I’m not going to rip you off” in her eyes. But I was immediately struck, when I looked at those eyes, by the feeling of there being some kind of wall around this woman.

To this day I could not tell you what colour that woman’s eyes were. In fact I could not tell you what her hair looked like, and my recollection of her face as a visible picture is faint. But when I think of those eyes the first word that leaps into my mind is sapphires. I don’t know if I imagined this or not but it suddenly seemed as if I was struck by a wave of emotions, and they didn’t seem to be mine.

Then I encountered something and it hit a deep nerve in me, the feeling was so overwhelming that I felt mutually drawn and overwhelmed. Its intensity was so strong that it scared the hell out of me. It was like looking into a mirror and seeing your reflection turn into someone else. I suddenly felt very naked, I suddenly became acutely aware of her eyes boring into me and I was no longer the microscope examining the insect, the roles had been reversed. I got the hell out of the shop very quickly, very quickly indeed.

We live in a strange world, and sometimes a very sad world. You take the bravest, most confident person you can name and I suspect that behind all that bravado you will find a soul that not only has courage and dreams but fear and hurt. The same is true of the darkest of beings. There are no good souls, no bad souls. The soul is a blend.

In that moment I suddenly felt this person had seen the part of me which I try to hide away. The part that my conscious mind would prefer to pretend doesn’t exist. In realising this I was struck that behind all the feelings of false pretence that I was picking up that those eyes belonged to someone with an array of feelings and complexity. Those eyes belonged to a person. The experience was one of a handful of incidents that have happened to in my life and when it happens I can only say that my world has been rocked.

That woman would be dead in less than six weeks. Her murdered body chucked over the side of a bridge. What she saw when she looked at me I don’t know, but I wish that instead of getting scared that I had asked that question. What harm could it have done?

Her name was Maureen McKinnel, she was widely known to be a high class hooker or, as friends that I have who work in the trade prefer to be called, a whore. I considered, when I wrote this section, going to the library and checking my facts. In fact I started to but apart from a few references to the case, there is no trace of Maureen left. It's like she never existed at all. So instead I'll write it as I recall, so if there are any errors then they're simply the tricks that the mind will play on itself, but while the mind may alter the subject it does so to retain the theme of what the mind's subconscious has detected.

She had let the murderer into her house, leading the police to originally theorise that she must have known her killer. The photographs feature her living room (they never showed the photographs of the crime scene in her bedroom). The clear part of my mind sees a tastefully decorated room. The magazines are in the right place, and the photographs of family exist but they're not hung up prominently, you're not encouraged to inspect them. You are struck by the thought that this is not someone's home but the reception room of some highly professional law firm. But you are also struck by the fact that this is the quarters of a highly private person. Yet on the verge of my mind I can picture certain personal artefacts that were more than decoration. The body when recovered was in a high state of decay but the police never mentioned sex crime as a motive.

They talked of a sole operator loading her body into her yellow Honda and that her killer had lifted her body over the railings, a task of strength. The killer strangles her with his bare hands, causing extensive bruising. He took his time. The police would talk of a struggle in the bedroom. I'm left with an impression of some one having had fun, of playing, of someone who desperately 'needs' the high of having power. I think of the types of eyes that belong to such a person and I think these were the last set of eyes that Maureen McKinnel was looking into as her life drained away. I think of her eyes, of the fear that existed within, motivating the image she projected of herself as a means of keeping that world at bay and in the end it didn't keep that world out. I don't think Maureen McKinnel really liked those parts, she kept them to protect herself. I don't think they made her feel very good about herself.

In the end they didn't do her any good, in the end as she fought for her life there must have been a part of her that realised this and that part must have felt terrible. The killer knew this, and he wanted us to know this for he knew it would scare us, for his hunger, his addiction told him falsely that this would keep his own fear away, that it would give him power. Yet as Maureen struggled there must have been another part of

her that screamed “see, I told you so, monsters do exist!”, and had she somehow survived, I suspect that it would have been this part, in all probability that would have become stronger, having been fed by the fear of the incident.

Maureen didn’t survive, yet the newspapers soon forgot about Maureen the person (not that they ever looked that deeply) leaving us only with the residue of fear. Because it’s fear we choose not to look at it, but because we choose not to examine it it’s in our heads that fear creates new fears within our subconscious, making our ability to remember the person that much more difficult.

Afterwards the police ruled out robbery, the only things missing were two pieces of jewellery with inscriptions which, to my knowledge, have never been revealed. The police never stated what these pieces were or why they might have been of significance to the killer. Unusual in this age of *Crimewatch*, don’t you think?

Maureen had a diary. Afterwards the joke around town had been if you were local and over forty then you were a police suspect. It wasn’t really much of a joke. It was almost true. Politicians, businessmen, even media people were all questioned. I wondered where the police had drawn their list of suspects from.

The diary would go missing as well. In the end the police stated that they had a suspect, a vagrant passing through. A vagrant whom Maureen McKinnel had let into her house? The police even went so far as taking DNA samples. These were sent overseas and four years later we were told the results were inconclusive. I think about that police investigation, I think about where those police stayed and where the staff of that place can be found today. I think of how well those police officers were treated, of how certain locals and the local police made the ‘boys’ visit comfortable. How at the end of the day those boys had beers and chatted and talked about the case. Do I think they were involved in a cover up?

No, probably not, but they were lazy and they gave away a lot of intelligence. From my point of view this has its positive side in that off the record they said a lot of things to a lot of the locals (many of whom were suspects). Some of it slipped into the media, and I took that information and I cross referenced it against the final official verdict and it told me a lot about police procedures, and police politics, in this country. I believe that kind of politics has stuffed up a lot of homicide investigations.

I take myself back to that bridge and I look around and I see a lot of buildings and properties owned by a lot of people (some of whom are

mentioned in this book) and I think how easy it would be for this little community to make problems go away. A telephone call here, a word there, and the other means by which those with power, money and influence, protect their own. The weirdest aspect of Maureen's death is that if I take a ruler and mark Maureen's body and then I draw a line: on that line I find three more bodies. One, for complete lack of data, gets discarded as coincidence of a pure and genuine nature. The other two both have the same M.O. - lazy police work, a lot of unanswered questions, surrounded by a deep sense of unease, expressed by those who are witnesses to this community, but not invited to be a member of it.

How come all the bodies fall on that line? I don't know, I just know that they do. The line ends at a large stone building, it has no windows, it has no signs. It tries to give the impression of saying "I'm important, and within we discuss important things, SECRET things". In reality the style translates to the same crayon characters that you will find on large cardboard boxes turned into a boys clubhouse. The sign reads "Top Secret: Girls keep out". You walk into that building and it's like walking into a Salvador Dali painting.

Strange symbols and items denoting 'important' secrets are scattered throughout. It's a sick place. The men within wear suits, and are very careful about appearing as sensible people. People would be surprised to find what goes on inside such mens' heads, they're men who hold things very close to their chests. To them secrets mean power, and the more secrets you have the more powerful you are. They compete against each other to learn more secrets. The reality is the club is not as powerful as they would like to believe, or as they would have outsiders believe, but shhhh, that's a secret too. It's just another cog in the wheel, in a large ancient machine with cogs of many different sizes, shapes, and thought, all moving at different speeds, and if any of its members had any brains they'd see that there's a great big sign hung over this machine, it reads "Booby-trap Organisation for Suckers and Losers with a penchant for time wasting and red herrings".

The reality is the secrets that these kind of men think they're protecting (they're not) have been on this earth a lot longer before they or any other such club existed. The fact is it's not a secret, it's neon writing surrounds us all the time and it can be deciphered with ease by anyone who is willing to listen. Fear makes people deaf. Do I think that this club, and its silly mysticism, had anything to do with Maureen McKinnel?

The answer, in this case, is irrelevant, I'm not going to waste my time on red herrings. In the end the machine didn't kill Maureen McKinnel, a man did, and regardless of the fashion in which that man's belief was dressed, his beliefs remained the same as any killer's belief. It was a belief motivated, and steeped, in the killer's own personal fear.

Yet within this specific clubhouse there existed one little boy: a man who by society's standards is a powerful man, he takes his club house secrets very seriously, they're all he's got, so he feels. This man is very aware of his status and at all pains he will preserve it. He's an arrogant man who loves displaying his temper for he loves to see the fear that people have of him. The part of me that understands how this man operates loves seeing this man and the first time I ever set eyes on this man it was the first time that I truly understood the term bloodlust. Except in his case it was power lust.

Every time I see this man a part of my brain yells 'you're a piece of shit, I know exactly what you are'. It doesn't care how powerful this man is or how large he is or the fact that he is literally a professionally trained killer, it just wants to rock and roll. I spent a lot of time finding out about this man and a lot of time trying to let the newspaper let me go after this man. They weren't keen to oblige so when ever I could I took pot-shots at this man. He's a dangerous man because he thinks secrets are important, and he's a stupid man, I can't abide stupidity. I walk down the street and the man knew who I was and I loved it. For our eyes would lock every time, and just for a second, we would glare at each other. He had all the bullets, all the authority, and all the might by society's standards. Yet every time it would always be his eyes that would turned away. The part of me that was him loved that. His eyes would turn away because he knew I knew what he was under his facade and that scared him. For all his pretence, for all his carefully and desperately created façade, he was weak, he was a nothing, and when he looked at me he suddenly saw his own reflection not as it was but how he feared it to be.

The reality was he was simply seeing a part of himself, not his entirety, but sadly he will never give the other part of himself a chance: he's become too much a slave to his own fear.

When we failed to address the questions of Maureen McKinnel's death, when we chose to let those questions go away, we weren't being fair to Maureen. Maureen wasn't just a murder victim, she wasn't just a whore, she was a person and she deserved to be treated as such. But then again we weren't being fair to ourselves.

So let's move on to the book. Before we do, if I may say, should you read this and not believe the subject content within then I hope at least that the theme entertains you. For entertainment, in itself, is not without its educational value.

Thank you, yours - Ben Charles Vidgen – 9 August 1999

PROLOGUE: THE ZERO G PRINCIPLE

Kill 'em all and let God sort 'em out

“It is a terrible thing to say, but it is as equally terrible not to say it: for the world ecology to stabilise, 380,000 people must die every day” - Jacques Cousteau

She was 22 years old, beautiful, intelligent, independent, and a blue-skinned corpse in a box.

The cards flowed in from all over the world. We sat in the back yard on one of those incredibly Tuscan summer days that only Christchurch can produce, half-listening to her favourite music, as her mother read the many messages of condolence.

“Deepest sympathy” seems to be the fashionable statement of the day - why don't they just say it as it is.

“FUCK!” her mother said, releasing the last word in a blurt with all the rage she felt.

I would not dare to claim that I have any idea what it is like to lose a living daughter, yet every time I think of the circumstances that led to my friend's death I find words horrifically insufficient. The closest that I can come to explaining is a black fantasy where I find someone that I can hold as being accountable, grabbing them by the hair and repeatedly slamming their head into the concrete until their skull becomes a bloody pulp. However, even this is insufficient to convey the scale of my anger - one wishes that if a supreme guilty being could be found, that you could get inside these people's brains, tune in to where they feel pain and fear the most and then target these points specifically to ensure maximum hurt.

Sapho was, as are most of the victims of this malevolent guided plague, a person with a family and friends who cared for her. None of this mattered to the killers - to them she was just fresh meat for the grinder (“body count, body count, Boom Boom,” Ice T)

It's true, as one individual callously stated, that “no one held a gun against her head and forced her”. Such a response is as simple as it is sadly callous - nor does it go far enough to explain the scale of this epidemic.

She was a sensitive individual in an age of the desensitised, born in an era that treats its youth not as a valuable resource but as expendable. My friend's generation was brought up not to trust, but to live in a permanent state of fear - a generation raised on the message: “Don't plan, don't bother, dreaming is foolish, there is no future.”

The consequence of this subtle psychological warfare is that regardless of the manner by which the lethal injection is delivered, Sapho and those like her remain as much the victim of murder as those in the killing fields of Rwanda or Cambodia, for if you destroy a person's dreams, you destroy their will to live.

During the 20th century the drug culture has flourished, flooding every corner of the globe with the guile and cunning of the rodents that once carried the black plague across Europe. Successfully using marketing techniques borrowed from their legal (but equally deadly) cousins in the alcohol, tobacco and pharmaceutical industries, the narcotics industry is now estimated to be the second most profitable industry in the world.

The effect of this industry, without counting the direct deaths involved in narcotics abuse, is as destructive as the land mines that render children into bloody pulps or mutilated cripples. A designer virus has been created which depletes countries of their natural resources, destabilises states, and affects geopolitics more effectively than any natural epidemic - though the two are often partners. The main difference between the carnage of the drug trade and the destruction caused by war is that in the case of drugs, the victims are largely unaware that they are being bombed. In this silent war the civilian defence is comparable to wearing a paper raincoat in a monsoon - "Just Say No," a defence based upon a suicidal ignorance of the nature of the narcotics industry.

Just Say No is a cliché which is expected to compete against an advertising budget exceeding hundreds of millions of dollars. There are yet to be billboards saying "Welcome to Cokeland", or a catchy mascot like Joe Camel, yet the illicit narcotics industry is advertised widely, albeit subliminally, throughout Western popular culture. On the surface there are the obvious examples such as the films *Pulp Fiction* and *Trainspotting*, based on Irvine Welsh's bestseller. The glamourisation of drugs - both legal and illegal - occurs through their attachment to a specific lifestyle, using the indoctrinating methods of consumerism - a point repeated in a variety of modern music such as gangster rap, dance music and various forms of "alternative" music.

The links between the attractive flickering lights of death, consumerism, and narcotics also reveals itself in the fashion world, the strongest in-your-face symptom of this symbiotic relationship being the "heroin chic" fad of the 1990s. ("Coke is out, heroin is in" as one women's fashion magazine would write)

It is not that I am anti-narcotics - I'm as hypocritical as your average citizen of the developed world, an active smoker, a drinker whose level

of consumption is based on years of education via association to the hospitality industry and, like 85 percent of New Zealand males aged between 18 and 35, I still occasionally indulge in cannabis. My beef is, perhaps surprisingly, not with the consumption of drugs but with the criminalisation of narcotics - the primary cause of drug-related fatalities via a subsequent lack of effective drug education, the hypocrisy of legislation that binds the hands of those involved in drug rehabilitation, and the associated violence and social casualties of drug abuse.

Criminalisation also plays an active role in promoting the growth of corruption within law enforcement agencies. ("Once upon a time you could trust anyone in law enforcement; now you take your chances." - Senior New Zealand law enforcement officer, 1998).

The primary defence against this killer lies in the hands of a sound bite so ineffective that its architects now mumble it in hushed tones, faces crimson with embarrassment, while an uneducated public remains indifferent to it all.

Just Say No does not inform the potential market about the social and spiritual destruction caused by narcotic abuse, or the reality of a life with hepatitis or HIV. It does not prepare the uninitiated for the sociopathic nature of genuine addiction - the horrors that come from deteriorating health, the mental injuries that come from the sex industry, from thieving, lying, and the other cons associated with any form of advanced substance abuse (*Killing In The Name Of The Machine* - Cyprus Hill).

Inadequate government budgets and the pathetic lemon of private funding compete against an industry that pitches with the hunger of *Susan Sells*, using the latest techniques to continually advance its edge in the hard sell of its product. For example, the price of soft drugs may suddenly escalate "because of a reduced supply", while the price of hard drugs drops. This method is often combined with cutting off a foreign supply of narcotics.

Smaller independent dealers are also targeted for elimination by the larger criminal organisations. Such methods, commonly reported in New Zealand's "Pill City", Christchurch (the city has more opiate abusers per capita than anywhere else in Australasia), seem to coincide with a police crackdown on soft drugs and smaller dealers. This is not to directly accuse the Christchurch police, as an organisation, of direct corruption, but it is no secret among criminal subcultures that police informers (who often have links to organised crime) use their relationship as a means of removing the competition whilst enhancing their own profit.

Another means of boosting sales is to lace drugs perceived as soft with drugs labelled by society as being more “hardcore”. For example, in Sydney, and to an extent Australia’s east coast, Ecstasy - which aside from no longer being the traditional MDMA - is now allegedly mixed with approximately 10 to 12 percent opiates. Since the late 1980s the amount of heroin thought to be arriving in Australia has increased by 1300 percent. According to one press report, in 1995 alone Sydney saw an increase in consumption of 175 percent. The city has an estimated 90,000 to 150,000 users, according to the *Sydney Morning Herald* (the reports in fact said “addicts” but the media has a traditional habit of being unable to distinguish between the two).

Illicit drug abuse cost the Australian government \$1.68 billion in 1992, resources which otherwise could have been spent on social welfare, education or economic growth.

I cannot help but suspect that in the next five years I will bury more friends as this tidal wave spills over on to New Zealand - a feeling escalated by the knowledge that sources are starting to inform me that heroin (not morphine opiates) is becoming more common in prisons and in Auckland (largely, I suspect, through the pilfering of shipments passing through on a transit route set up by Asian-dominated cartels via South America).¹

In a 1997 issue, the *Listener* would also indicate that heroin was returning to Auckland within the yuppie circles (which in the case of Mr Asia is where the epidemic of the 70’s also began). The question of whether or not heroin will spread beyond these lines depends on whether greed will outweigh the risk that the distribution network is exposed to in a country of New Zealand’s size.

Just Say No has not been proven to work. A number of studies into alternative strategies have been conducted in England, the Netherlands and Switzerland, and show more promising results. The Swiss model, the most widely publicised, is based on controlled distribution of heroin

¹ On a number of occasions this writer has heard anecdotal stories that allege contraband is entering NZ from Australia via transit points in the Chatham Islands. From the Chathams, so the stories report, smugglers were taking advantage of the weak Customs presence in places like Queenstown airport to fly in narcotics, using an everchanging set of leased and sub-leased small aircraft in a series of intertwined subsidiary aviation firms. The role of the Chatham Islands, and the name of an accountancy firm with Black Power links, as a transit point for weapons would turn up repeatedly.

to addicts. Using “1146 subjects treated for 18 months, there were no overdose deaths, only three new HIV infections, four new hepatitis B infections and five new hepatitis C infections. Reported income from illicit and semi-legal activities decreased from 69 percent to 10 percent, the number of offences dropped 60 percent, court convictions declined significantly, employment increased from 14 percent to 32 percent, and there was a net saving of approximately \$A45 per patient per day” (from an article published on the Internet by the *Medical Journal of Australia*, February 1998).

Such strategies are based on treating the narcotics plague as a social and health problem - the approach used before the worldwide criminalisation of narcotics in the early 20th century.

In the long term, social programmes work towards making drug abuse extinct via built-in control methods (“Drug Law Reform Project: Harm Reduction Model of Controlled Drug Availability”, Redfern Legal Centre). Such methods aim to provide drugs only to those already suffering addiction, for the purpose of normalising the addict’s life, thus reducing the cost to society of drug-related crimes such as theft, violent crime and prostitution. A single addict must steal (so the sums of one press story claim) nearly \$NZ600,000 a year. This is certainly a classic case of media exaggeration, but the cost is certainly high, especially as the lion’s share of the cash and stolen property will end up in the hands of organised crime. By removing the profit incentive associated with drug dealing, decriminalisation would, in effect, destroy the capital base from which organised crime’s influence originates.

In 1998, despite all of the above (or perhaps because of it), Australian Prime Minister John Howard killed the study, saying: “I remain unconvinced there is a social benefit (in legalising the drug)”, and that the programme would be sending “the wrong message”. Three years earlier, more than 75 Australian parliamentarians and senior health workers, and several police commissioners, had concurred with the preliminary findings in their call for the creation of a drug study similar to the Swiss model. Howard, however, chose to retain his faith in Just Say No, and this was followed by the traditional increase in the law enforcement budget which occurs whenever drugs become a public concern. In fact, the \$A100 million increase, besides failing to make up for previous budget cuts, is recognised by its very benefactors as a complete waste of resources:

“All the evidence shows, however, not only that our law enforcement agencies have not succeeded in preventing the supply of illicit drugs to the Australian markets, but that it is unrealistic to expect them to do so.”

- Report by the Parliamentary Joint Committee on the National Crime Authority, *"Drugs, crime and society"* (Australian Government Printing Service, Canberra, 1989).

The committee's findings have been echoed in the United States, where, despite the multi-billion-dollar "War on Drugs" (including a foreign aid budget which, it has emerged, was largely in the form of arms sales to repressive regimes - arms used on civilians and not dealers), law enforcement as a means of combating drugs has failed.

In 1993 a congressional study mission to Latin America reported that the drug war's foreign aid had "failed to bring any meaningful and long-term reduction in the production and traffic of narcotic drugs in the countries affecting the United States". The production of drugs in most of the countries visited by the mission had in fact "dramatically increased".

In New Zealand, the cycle has repeated itself. Customs and law enforcement officers have admitted to me in private that no matter how much money is spent, "it would still amount to a drop in the bucket, while legislation continues to make drug dealing profitable". In turn, the profits to be made from drug dealing ensure that, as one drug enforcement officer said, "the Mr Bigs remain well-sheltered and out of the dollar reach of justice".

The biggest reason why Just Say No fails, why the Mr Bigs remain untouched, and why my friend is dead, is that in the end, Just Say No hasn't got a hope of succeeding.

Why?

It was never meant to succeed.

Just Say No's biggest obstacle is that it is competing against the proponents of the Zero G principles - as in zero population growth. These are very concrete and powerful forces who use drugs purposely, with the effectiveness of a military force (unsurprisingly, the two are closely linked). They sabotage the genuine means of combating narcotic abuse at every turn, assisted by those who claim to be our servants, yet who in reality are the enemy within.

Yes I should just say "No" to smoking pot - it's bad for me. But I should also just say "No" to cigarettes and the most lethal narcotic on this planet - alcohol. So don't you dare tell me what to say, not when you're doing your utmost best to ensure that I'm fed with the narcotic that you deem legal, when your representatives can be found profiting from the conditions created out of prohibition - hasn't any one seen *'The Untouchables'*?

This internal enemy will no doubt use the yawningly repetitive excuse “for reasons of national security” as a means of protecting themselves from the public ever finding out about the reality of their sordid little secrets. Claiming that the failure to combat the drug problem is deliberate sees the old boys close their subversive ranks and label such an accusation a “conspiracy theory” - a title which has taken on a different meaning than its original intention.

Today’s hacks have forgotten that a conspiracy theory has other names. In the military, it is called intelligence; in government circles, analysis; in law, a proposition; in science, a hypothesis; and once upon a time (before Murdoch started swallowing Fleet Street) the press would have called a well-thought-out conspiracy theory “investigative journalism”.

The existence of sub-atomic particles is – by the standards of wet-behind-the-ears journalists and newspaper editors – nothing more than a conspiracy theory. The speed of light is a conspiracy theory.

A conspiracy is (if formulated correctly) not a wild romp into mysticism, but the establishment of a correlation between two or more observable interconnecting elements, that confirm common trends regarding desire, motive, opportunity or ability, with multiple indications or inclinations that the said motive was acted upon. I call it “the caveman meets fire principle”. Whether or not it is a conspiracy is secondary - the principle of theory lies in the rationalisation of an abstract idea.

It is ironic that scientists have battled so hard to teach us that things and events *happen for a reason*, while some journalists, businessmen and officials try to lull the public into believing that things happen by accident – the so called ‘coincidence theory’. Strangely, some otherwise rational people will put themselves into absolute contortions to explain away as “coincidence”, events that those with inside knowledge know for a fact are deliberate.

Coincidence theory is a bit like thumbsucking. It is non-threatening, it doesn’t require any thinking or stressing out, you simply pigeonhole the offending piece of data and move on in blissful ignorance. There are still some who argue that the disappearance of six million Jews in the Holocaust was merely a coincidence.

The mainstream press, for various reasons, long ago dismissed the concept that developed countries have participated in promoting drug-related genocide. Yet evidence to the contrary continues to exist throughout the globe. I will shortly testify to this, highlighting the motive, method and opportunity of those involved, with evidence of the

consequences. Yet before I continue, stop and think: if the drug trade is ranked as the number two capital earner in the world; responsible, in some nations, for revenue exceeding 40 percent of their GNP (in Mexico and Colombia it is estimated to be more than 75 percent of GNP); earning, according to conservative figures produced by the US DEA, CIA and United Nations analysts, more than \$300 to 400 billion worldwide every year; how can any state not have a relationship with the narcotics industry?

In light of this unavoidable conclusion, why do states insist on lying about the nature of their relationship with these merchants of death? Whether it is a hidden agenda or simply greed, the consequences remain. The madness and greed of the numbers game has conquered the logic of resource management.

CHAPTER ONE
MURPHY'S LAW
The principles of the Five O'Clock Follies

To the members of the fearless fourth estate - will the last one out please turn off the lights.

The description given in the foreword of the reasons for the news media's reluctance to investigate intelligence issues is, of course, sardonically simplistic, but in essence it represents the core of the situation. A prime example of this phenomenon in action - which provides a more detailed image of the relation of the media to intelligence issues - arose in 1997, when the infamous AUSTEO (Australia Eyes Only) report wandered into the hands of a Reuters reporter.

Officially, AUSTEO was found on a coffee table among other generic press releases during a South Pacific Forum economic ministers' meeting in Cairns, Australia in July 1997. Unofficially...?

The report, compiled by the "elite" secret squirrels from the Office of National Assessment, was a sort of bureaucrats' traveller's guide to the Pacific. It wasn't very useful in terms of telling readers how to avoid German backpackers, but it could accurately tell you the going rate for bribing a junior minister in Vanuatu.

The report, when made public, proved at face value to be a bigger public relations disaster for Australia than "*Sylvania Waters*".

Acting opposition leader and former foreign minister Gareth Evans gloated, with just the slightest hint of envy, "in one instance we have offended 15 countries"¹. Yet the media hacks, seeing an easy meal, sank their teeth into a meaty bone before discarding the substantial carcass of AUSTEO as a whole, choosing to focus mainly on how an official report had dared to use colourful verbs and undiplomatic language.

The closest thing to insightful reporting on this issue came when Sydney-based journalist Jemima Garrett honed in on the report's bias against nations opposing Australia's foreign policy². Garrett was a minority among hundreds of Australian (and New Zealand) journalists who hardly bothered to stop for more than a quotable sound bite when asking those countries about their own feelings towards the report.

She stood further above the pack when she paused to consider how the report might affect Australia's future dealings with its smaller neighbours. Regarding AUSTEO's revelations - or more importantly, Australia's response to those countries following its faux pas - it took

the form of bullying Fiji into withdrawing its official complaint. Garrett noticed that no one else had said a thing.

Stimulated by Garrett's remarks, I phoned her in August 1997 to probe further. During our conversation I asked her whether, considering the mysterious manner in which a highly classified document had been discovered, it was possible that the Commonwealth-aligned Howard government had been set up. Garrett remained unimpressed. "Ah... it sounds a bit like a conspiracy theory to me."

Flattered, Don Quixote charged on.

"Didn't it just seem a bit peculiar that AUSTEO had been left lying around, despite having been labelled in a manner clearly educated to the Australian civil service's intellect limits?"

Garrett, however, remained loyal to her conviction "no screw-up is too royal for the Australian bureaucracy". True, she confessed, those lovable scamps holding court at the press bar in Canberra had apparently floated similar ideas (but hadn't been willing to put their prawns on the barbie, so to speak), but she wasn't buying. Besides, she retorted, "I don't see where the percentage is" - referring to the lack of personal gain for the Treasury, Foreign Affairs, or whatever clown from whatever Australian intelligence service may have been responsible in the event of intrigue. Furthermore, as she pointed out in an enlightening revelation, it wasn't just Australia which stood to be embarrassed by the report. AUSTEO had "used material collected by the New Zealand intelligence services" as well³.

Garrett's revelation of New Zealand's role in the report was confirmed to a degree when the security-conscious Minister for Biosecurity, Simon Upton, decided to lend a hand to Australia's damage control exercise care of his column in the *Dominion* in August 1997. Simon thought the best way to ensure that everyone did not get too worried about confidential dirty laundry was to inform the masses that important papers were lost every day.

Reading Upton's article, one could be forgiven for thinking that it was a script for a New Zealand variant of "Yes, Minister". To prove his point, the minister responsible for protecting New Zealand from the likes of ebola and calicivirus regaled his readers with his own expertise in the art of misplacing documents.

Subsequently, Upton reported on the loss of his ministerial briefcase during an important mission to Paris, saying he had: "Visions of the briefcase ceremoniously blown up in front of invited television cameras as the moral beachhead created by the Rainbow Warrior were washed away by the bathos of a ministerial blunder". In the end, however, such

French deviousness as envisioned by the good minister did not eventuate, and the lost case was eventually returned “in a flawless piece of diplomatic condescension”.

Astonishingly, Upton, although obviously not averse to a good conspiracy theory himself, did not consider that a nation capable of sending agents halfway around the world to blow up a bunch of anti-nuclear protesters was equally as capable of rummaging through the contents of a negligent foreign minister’s lost case, without resorting to the James Bond civilian concept of spying. Perhaps if he had, he would not so quickly have revealed how his own blunder had itself been covered up.

There were, however, other clues in Upton’s confession as to the mystery of the leaking of the AUSTEO report. First, he said: “In the meantime, agencies on both sides of the Tasman can solemnly file this article as evidence in support of whatever conclusions they want to draw.” The spooks just wrote the report; they didn’t lose it (maybe) - and what is this about “both sides of the Tasman”? If that’s too surreal, how about this gem: “Everyone has behaved beautifully. Politicians on both sides of the Tasman have declined to comment.” As Tonto said to the Lone Ranger when they came to be surrounded by hostile Indians: “What’s with this ‘we’ stuff, paleface?” Or, as Upton himself points out: “In fact, things were in danger of being so cordial that Tau Henare decided to inject a bit of frank humour into things in case we had to be nasty to each other again”.

As two world wars and several rugby world cups have testified, New Zealand and Australia are only pleasant to each other when someone else is shooting at both of us. Simple Simon had inadvertently hit the nail on the head, and leaked the reality of the situation. We were all being far too nice to one another than national character permitted.

One does not have to be armed with Dr Spock to spot a child’s mischief when an empty cookie jar lies nearby. In this case, the jar was a second AUSTEO report detailing how England was asking Australia to lean on New Zealand to spend more on defence at the expense of social welfare spending⁴. This news received no coverage in the mainstream Australian and New Zealand media.

It was understandable why no one was willing to use these reports as cheap ammunition in the war of egos. It was too risky, and the duds were likely to go off in your face, especially when the next South Pacific Forum meeting was to be held in the Cook Islands. Wellington did not have any wish to rip the plaster off that particular festering wound, and taunting Canberra with the AUSTEO reports, despite the

temptation, posed such a risk (though shortly afterwards a Wellington High Commission report would be leaked, revealing what New Zealand diplomats thought of Australian spies). If everyone shut their mouths, Australia alone would bear the brunt of the islands' anger at the forum, after which the problem would go away.

In reality, the danger of the AUSTEO affair lay not in the powerless, political amnesia-afflicted Pacific. It was as one drifted through Micronesia to Asia that the ripples of AUSTEO's carcass drew the big sharks. Malaysian leader Dr Mahathir Mohamed must have cackled with glee as the report publicly revealed Australia's fears that Papua New Guinea's economics minister Chris Haiveta would prove to be an obstacle, in that he went "along with (Prime Minister Sir Julius) Chan's effort to cultivate the Malaysians in trying to reduce PNG's dependence on Australia". This sort of revelation could not have arrived at a worse time for Australia - not only was it preparing for the South Pacific Forum meeting, but Minister for Foreign Affairs Alexander Downer was about to travel to Malaysia to attend the Association of South East Asian Nations (ASEAN) regional forum.

The idea that someone was out to nobble the cohesion of the Commonwealth, or at least the Howard Government's position in the Pacific, seemed to receive verification when the Sandline mercenary affair detonated, like a well-placed shape charge, literally at the moment when Downer's plane touched down in PNG. In fact, his aircraft was parked between the two giant Aeroflot Ilyushin freighters used to fly in the Sandline mercenaries closely aligned to apartheid-era South Africa, the British Security Services and Western multinational corporations. In this case - as with the publicity surrounding the Australian government's delivery of military helicopters used to quell the secessionist rebellion on Bougainville - the corporate media pointed the finger at the Commonwealth-aligned Liberal-Conservative Australian government, while being careful to not ask to whether the Australian military or intelligence services had been directly involved, and to what degree they had been acting with or without official government sanction.

Sandline also had ties with the United States Drug Enforcement Agency (DEA), while CIA involvement extended to Pacific Express, a New Zealand-based airline (discussed later in this book) that undertook contracts in PNG for Evergreen Aviation - a former CIA-owned airline which also had links with the DEA and retains its connections to the US military complex today. Further US involvement could be seen via the role of Century Arms in shipping arms to the Solomon Islands (believed

to be destined for PNG), after first gaining approval from the US State Department.

The covert struggles of PNG seemed in many ways to reflect the rivalry between the Old World Order and the New World Order, then being displayed in the former Yugoslavia. It was in the Balkans that one got as close as perhaps one can to defining the often chameleon-like alliances that operate beyond the confines of nationalist borders. The conservative autocrats, represented by Socialist “Gaullist” France, Britain (whose ruling monarchist Conservatives, the chief advocates of the Commonwealth, had yet to lose to Tony Blair’s Labour, supporters of Pax Americana) and Russia were pitted against the neo-liberal industrialists, the “New Republicanists”, represented by the core nations of the United States, Germany and China. The former, pursuing their goals, had shipped arms to their traditional friends the Serbians, while the latter, with similar motives, had flown weapons to the Muslim Bosnians and their Croatian allies - a move seen by the Republicanists as essential to the expansion of NATO.

In essence, such a state of affairs - despite the so-called special relationship of Whitehall and Washington - was not surprising. These two forces were the only rumblers left in the ring following the economic high noon of the Cold War and the collapse of the Soviet Union. Now the rush was on for the spoils of war. With the Soviets out of the way, it was time to exploit to the fullest those resources that lay waiting for those willing to take advantage of their “right” of inheritance.

“Veni, vidi, vici,” roared the transnationals, pausing momentarily to sacrifice the Asian tiger. Meanwhile, autocrats dreamed dreams of Hong Kong on its knees, as the followers of Mao coyly played with their Rolaxes.

Such considerations are, of course, beyond the 500-word limit of corporate journalism. Subsequently, it is no wonder that the media failed in its reporting of the significance of AUSTEO. If those reporters had ceased their sniping at the impropriety of AUSTEO’s schoolboy English, they would have been faced with the stark reality of how screwed up politics in the Pacific were, and stumbled upon the reality that it is only going to get worse. The crooks described in the report hadn’t actually murdered anyone - for the time being, they’re happy to settle for simply embezzling their entire nations’ savings, a crime not without life-taking consequences.

Proper analysis of AUSTEO would have disturbed anyone, when combined with the terrorism of first Belau and now PNG; the laundering

of heroin money in Vanuatu; the international crime rings of Fiji; and the cocaine money of Tonga - even in the short term it becomes clear that cases of Uzis, Kalashnikovs and M16s are turning up in “paradise” with increasing regularity.

The road to potentially violent instability has been paved by the island politicians’ attraction to the money offered by organised crime and other exploiters of human suffering (as AUSTEO alludes to), yet time after time the allies of such malignant forces turn out to be closer to the CIA and other so-called protectors or advocates of the free world than the media-manufactured bogeyman of the day.

Perhaps this critique goes too far. A few journalists did, in fact, stick their heads out of the press bar long enough to pen articles with titles in this vein. *Pacific Island Monthly’s* “*Open Secrets: Too Close to the Bone*” correctly states: “... the report, it must be admitted, only reiterates what is already known⁵.”

Further, none of the traditional establishment-oriented papers in either New Zealand or Australia, though unwilling to give AUSTEO any merits publicly, had the gall to suggest that the report was exaggerating, let alone risking the argument that it might be just plain wrong. This would have been difficult when even the nations in question were candidly admitting that life in the tropics was not all sun, sand, sex and coconut milk. As *Open Secrets* reported, “Nauru has never denied that it is going through a period of economic difficulty” - quoting a press statement released by the Nauru consulate-general in Melbourne.

Fiji was the only exception, with Finance Minister Berenado Vunibobo crying “I doth protest” as the country’s national bank visibly disintegrated - the result of serial pilfering by dodgy banana farmers (predominantly representing white colonial interests) supporting Brigadier Sitiveni Rabuka’s illegal military dictatorship (explored in detail later in this book). Even my great-great-grandfather George Griffith, the first editor of the *Fiji Times* - a prime believer in the right of one man to seize another man’s property, if that other man wasn’t white or a Christian - would have been disgusted at the extent of the thievery within Fiji’s current generation of colonial-inspired privateers.

Yet the criticism remains - the press failed to zero in on what was right, and not what was wrong with AUSTEO. Had the media considered this point, they would have been on the path to discovering the significance that reached beyond the contents of AUSTEO. Yes, the Pacific Island states were corrupt on a scale that would have had the suppliers of Imelda Marcos rushing to open shoe shops on every island.

Yet these states were corrupted primarily as a consequence of infiltration by outside forces.

Perhaps it was because of this “Ugly European” element, this very ugly truth, that the corporate media acted more like a toothless, overweight, geriatric Golden Labrador than anything resembling the fearless Rottweilers of the Fourth Estate. The warriors of the press were all at home tucked up in bed with hotties and Horlicks, saying, “Oh no, that’s far too rough for me”.

Had AUSTEO been combined with related issues like the growing involvement of Pacific Island governments in passport scams, money laundering and the drug trade, a new world would have emerged into the public’s awareness - a world of organised crime, heroin and gun trafficking, and toxic waste dumping. It would have revealed an environment that would have displayed, had history been allowed to testify, shadowy alliances; the offspring of covert operations, theft, terrorism and assassinations, all played out with the blessing of the protectors of the “free world” - the Western intelligence services.

All of this is happening on the borders of New Zealand and Australia, yet the public know little of it.

The smugness of AUSTEO’s authors would have been stripped away as the level of corruption in the “developed” states of New Zealand and Australia was revealed, alongside the disclosure of the intelligence community’s complicity in crimes against the peoples of the Pacific states.

CHAPTER TWO HONOURABLE MEN

“You do not have to be a CIA-hater to trek around the world viewing one major narcotics group after another and grow amazed at the frequency with which you encounter the still-fresh footprints of American intelligence agents. You might never be absolutely certain the footprints shouldn’t be there, but you will always be uncomfortable that so many solemn men in pinstripe suits are lying about them... how much intelligence and influence is worth how many heroin deaths?” - The Underground Empire, by James Mills (Dell Publishing, 1985)

In 1996, every day for a month, I worked for a well known Australian broadcasting figure, a personality extremely well-aligned with the Australian Liberal party. Every day for a month I sat in the middle of corporate media, Sydney-style, in the lead up to a major election where I would witness my boss spin doctor, and generally abuse his position – in my view - all for an ulcer, and a reputation.

Once again I would ponder the irony that at a party a woman working within the sex industry, a noble whore (I prefer to call it as it is), when asked what it is that she does for living cannot hold her head up high and say “in return for a fee I hand over my body, my energy, and my soul to sate the pleasure of others.”

My boss did exactly the same job, with the same rewards, in my opinion – barring two small exceptions: my boss did not, for a fee, provide anything of any use to people, let alone pleasure. He just screwed them.

Secondly, for being a liar, cheat, and a generally despicable man, he is regarded as a ‘somebody’, whereas my friends are told again and again in a variety of forms that they are ‘nobodies’.

Honest people, doing what they have to do to pay the bill that, in one form or another, we all pay, get placed in society’s great unwashed category for doing something that has been going on in our society ever since man discovered that he was physically stronger, for doing something that we should really start developing a healthy attitude towards, for it’s not going to leave this society at any time in the near future (apocalyptic scenarios, or the abolition of private boys schools, aside). All I can say of how this man got to be in this position is that he was willing to carry out some nasty tricks.

Every day for a month my bus went past a piece of graffiti in Sydney linking a well-known person, also tightly allied to the Australia’s ruling

Liberal party, to the heroin trade. Every day I'd sit at my desk and stare at that person's door, for this individual also worked in the same building, and arena, as my former boss, and as I sat in the midst of this garbage factory viewing some of the absolute mickey-mouseness unfolding before my eyes I would think about the Liberal Party's ethics and then I would stare back at the door of the accused, and I could not help but wonder about the whether the allegation was true.

I never did find out whether there was merit to this particular rumour, for shortly afterward I was fired (I'm proud to say that my conduct has had me fired from some of the most respected establishments around). Yet while I lasted there, every day, the same bus would take me over the Sydney Harbour Bridge, and every day I would also remember the story of Frank Nugan (who had blown his brains out) and the Nugan Hand Bank's involvement with heroin and spooks.

I already knew a fair amount, having read a good deal on this aspect of Australian history. I knew that it was a story that involved New Zealand's "Mr Asia" drug syndicate and a former New Zealand director of the IMF, before reading *The Crimes of Patriots* (Simon and Schuster, 1987), an excellent book on the subject by Pulitzer Prize-winning journalist Jonathan Kwitny.

What is surprising in this story is not the volume of concentrated fact that Kwitny uses, listing documents and a mountain of verifying references, but that to hear of the existence of his book I had to return home to New Zealand.

Elsewhere, *The Crimes of Patriots* had become a bestseller. When it came out in Australia, few booksellers (predominantly franchises of corporate subsidiaries) chose to carry it - in Sydney, copies could only be obtained by visiting Glebe's, the city's best second-hand bookshop. The silence of what should have been the talk of the town was further compounded by the fact that none of Australia's mainstream papers wrote a critique about the matter, for better or worse. The book apparently fared better in New Zealand, and can still be found on the shelves of several libraries (and those of not a small proportion of related professionals), but only just.

Perhaps the reason for New Zealand's lack of excitement lay in the proximity the matters raised in the book had to the country's own dark halls of power. The nerve hit, I suspect, is Kwitny's use of Mr Asia heroin dealers Marty Johnson and Terry Clark as the cornerstone of his argument that Nugan Hand was laundering drug money from organised crime in a manner that should have led Hand's financiers (which included the ANZ Bank) to suspect that something was amiss.

Before going further into the ties between Nugan Hand, the Mr Asia syndicate, Citibank and the governments of New Zealand and Australia, it is pertinent to look at the history and nature of those involved in Nugan Hand itself.

Nugan Hand was established in Australia in the late 1960's as Australasian and Pacific Holdings. Its founding shareholders included CIA agents and men serving with Air America, the CIA airline.

As it grew into the Nugan Hand Bank in the mid 1970's, more CIA spooks became associated with it, including the notorious Edwin Wilson. Wilson was a veteran of Task Force 157, operating under the jurisdiction of US Naval Intelligence, commanded by Admiral Lloyd Vasey, the future founder of the right-wing Pacific Forum (a powerful foe of the Lange Labour Government's anti-nuclear policy). Task Force 157 played a significant role in the coup that brought Saddam Hussein to power in Iraq, and led Colonel Muammar Qaddafi of Libya to consolidate his power base prior to his apparent rejection of American influence - which can be more accurately described as rejection of the influence exerted in the region by Western oil cartels.⁶

Wilson's partner Frank Terpil had served in Libya under Task Force 157, as an instructor in that country's "terrorist camps" - training, so Terpil boasted, terrorists such as Carlos the Jackal. Terpil and Wilson also played a part, as US relations with Libya deteriorated, in prompting Qaddafi into a war with Chad - leading Libya (using Western mercenaries) into a head-on conflict with Gaullist France, in its own right an antagonist of US interests in the Middle East and Africa.

When Terpil and Wilson's involvement in Libya became public during the 1980s, the CIA declared the duo *persona non grata*. Some commentators have described this as a ruse to continue the cover of these two US agents provocateur. However, while this may have been the outcome of the disclosure, it is unlikely to be its cause. US Justice Department investigators seeking to prevent the duo's involvement in arms smuggling discovered they were being thwarted and blocked by the CIA at every turn. The CIA's protection was understandable, for the consequence of these investigations would lead to the dismissal of CIA director of covert operations Theodore Shackley, a former head of the agency's Thailand office, and a member of Task Force 157.

Shackley had spent time in New Zealand in the late seventies as a pilot.

The investigation also led to the resignation of CIA and Task Force 157 agent Richard Secord, the former head of the CIA's Air America programme.

Terpil, Wilson, Shackley and Secord had one thing in common apart from Task Force 157 - they were all employees of Nugan Hand. The bank's board of directors and list of employees and consultants reads like a Who's Who of American spookdom (when it didn't, the names tended to be associated with the Australian Mafia). At the top of the list was Michael Hand, "a former CIA officer", and Frank Nugan, son of a well-known mobster from Queensland's Griffith area - named after the dominant colonial family in the region, and from where Australia's own narcotics traffickers would spring.

Nugan Hand's employees also included former CIA director William Colby, whose involvement as a legal consultant underlines the complexity of the intelligence game, and the fact that at end of the day the best of any intelligence product remains a theory until vindicated by hindsight.

Colby, despite his relationship with Nugan Hand, was at the time of the bank's founding the subject of much scorn within the CIA itself for his part in revealing crimes committed by the CIA to protect US military intelligence agencies, and for his role in the indictment of his rival Richard Helms, who was head of the CIA during the Church Committee's investigations into the agency.

A decade later, in 1996, Colby* died under mysterious circumstances near his Maryland home, as yet another company he was involved with, Strategic Investments, was participating in the distribution of material which alleged that both the CIA and the Clinton Administration were actively involved in the narcotics industry.

Such accusations are rich, considering that in 1973 Colby, as the CIA's director, had suppressed news of the agency's involvement in the drug trade following the arrest of Khramkhruan Puttaporn, a Thai national and an agent with the CIA's anti-drug intelligence unit, for his part in smuggling 59 pounds of opium into the US.

Colby reported to the subsequent congressional inquiry: "It was quite easy to see that his (Khramkhruan's) activities for us would be revealed in the course of his trial. We requested the Justice Department not try him for this reason. They agreed."

This statement led an angry Senator Charles Percy to retort: "Apparently the CIA agents are untouchable - however serious their crimes or however much harm is done to society."⁷

The involvement of the CIA and the region's anti-Communist warlords in the drug trade is common knowledge (despite being rarely printed in

* See Ian Wishart's latest book, *The God Factor*.

the mainstream media). One New Zealand expatriate tells a story involving a US DEA agent being tasked to investigate a Thai village which was reportedly storing opium. The agent is flown in on a plane belonging to Air America, which at this time is literally owned by the CIA. The agent searches the village as the Air America plane is loaded with rice sacks.

The search proved fruitless - unsurprisingly, as the drugs had in fact already departed, having been smuggled out in the sacks on board the CIA plane⁸. The expatriate claims the story is an old Far East story, and similar tales of Air America's role in the opium trade appear in Christopher Robins' book *Air America* (but not in current editions - in later reprints the publishers chose to remove any references to the CIA's involvement in the drug trade, the one exception being a reference where Robins reports how, in an effort to curb the Thai military's involvement in the opium trade from interfering with military action in Laos, Air America provided Thai generals with aircraft to transport their illicit cargo). Robins is, however, lucky: at least his is still on sale - other books were simply removed from print despite their success, as in the case of former senior CIA officer Victor Marchetti and John Marks' *The CIA and the Cult of Intelligence* (1974, Jonathan Cape Publishing). Using his personal knowledge and declassified documents, Marchetti reports the relationship between the CIA, drug traffickers and Air America. His book is one of the primary authorities regarding the history of CIA covert operations. It also next to impossible to get hold of, for love nor money.¹

In Asia, the CIA had been in an excellent position to sabotage congressional efforts to stem the drug tide then appearing like a tidal wave in the US. As Air America planes flew congressional investigators about, the CIA was selected to help establish the DEA's Asian bureau. The effect of the DEA-CIA relationship was startlingly transparent. In Thailand, the DEA's headquarters were in the same building as Nugan Hand's Thai branch, run by Shackley. The DEA's office was not only connected to the Nugan Hand office via interconnecting doors, but the US government agency shared a receptionist with the privately-owned business. As official investigations discovered, the bank had further connections to the US establishment in that its Hawaiian branch was run by General Edwin F. Black, former commander of US forces in

¹ See also *The Great Heroin Coup* by Kruger, and *The Politics of Heroin In South East Asia* by Alfred McCoy, Harper & Row, 1972..

Thailand. Documents revealed following the collapse of the bank show Black discussed the transfer of bank funds for CIA arms deals in Africa.

Kwitny reports that Black attended the Stewart Commission's inquiry into the bank's collapse, sitting at the back every day.

The fall of the Nugan Hand Bank, following the suicide of Nugan and the disappearance of Hand, cannot be solely blamed on the publicity then surrounding the Mr Asia syndicate. Yet, as Kwitny documents, the Mr Asia investigation (then being launched by police forces in four separate countries) was leading the investigators to hear of Nugan Hand, and in doing so was causing some uncomfortable questions to be asked concerning the bank's activities. The questions asked in relation to the involvement of US intelligence agencies in drug trafficking were similar to the questions that would be repeatedly asked by investigators of the US Justice Department's CENTAC programme eight years later - such as: how was it possible for a comparatively small and amateur, crime syndicate to infiltrate the law enforcement agencies of at least three nations - New Zealand, Australia, and Thailand?

One Australian Narcotics Bureau informant (quoted by Kwitny, operating from bureau documents) provides an indication: "You blokes think you are doing pretty good catching a few pounds of heroin now and then. I will give you two names ... Frank Nugan and Michael Hand." The informant makes it clear to the interviewing bureau officers that the two are supported and financed by people with US intelligence connections. The informant is graded "completely reliable" by the bureau.

At the New Zealand end, Mr Asia's Australian lawyer John Aston was raising Nugan Hand's name in connection to the laundering of the syndicate's funds. Aston later visited Hawaii, staying in a hotel room paid for by Black, according to the signature on the cheque. The relationship between the bank and the syndicate was in turn noted by the police, and also caused Nugan Hand's creditor Citibank to start asking questions. Citibank had severed its relations prior to Nugan Hand going belly-up - this should undoubtedly have raised questions.

It was certainly clear to Michael Hand that it was time to get out of town, leaving Frank Nugan to carry the can. Yet the ANZ Bank was not so quick. On the recommendation of ANZ New South Wales manager Ron McKinnon, Jack Nicholson, the senior manager of the bank's international division, was citing Hand as a good credit risk as late as May 1979. When the bank collapsed shortly afterwards, questions were asked as to how, in light of a lack of assets, Nugan Hand had become a merchant bank in the first place.

It had certainly been helped by Citibank, one of whose staff was Leigh Scott-Kemmis.

Scott-Kemmis had, using white-collar criminal methods such as round-robin cheques, same-day trading and buybacks, falsely enhanced Nugan Hand's value so that, as the Stewart Commission stated, "Not one dollar of the claims for that year (1975) was genuine". That is to say Nugan Hand, with Scott-Kemmis' help, had invented a profit of \$58 million. Nice work if you can get it. It was further pointed out that Citibank had become aware of this, or suspected it was happening, and had taken steps to have Scott-Kemmis removed from the Nugan Hand accounts.

Yet while Scott-Kemmis' actions were labelled dishonest by Justice Stewart, no further action was taken against him, as it could not be proven that his actions had been undertaken for reasons of personal profit. Scott-Kemmis moved on from his job at Citibank shortly afterwards.

In New Zealand, at least one politician was paying attention to the Nugan Hand inquiry, checking the findings as soon as they arrived at the Parliamentary library. That person was Sir Roger Douglas, the largest nominal shareholder of the BNZ (*Wellington Pacific Report*, Aug 1991, alleges that Sir Roger was the first person to check the report out from the library).

In light of the commission's scorn, particularly that of Justice Stewart for Scott-Kemmis and Citibank and, significantly, Sir Roger's awareness of the contents of the Stewart Commission report, it is therefore strange that the BNZ should then appoint Leigh Scott-Kemmis as its chief executive in Australia. In 1989 the New Zealand Government would have to inject \$1400 million into the BNZ - the equivalent of 44 cents in the dollar - to cover for the "miscalculated" provisions for bad debt by the BNZ in Australia. The BNZ made no excuses - "we cannot tell a lie, Scott-Kemmis did it".

There is no evidence that Sir Roger's interest in the Stewart Commission extended beyond curiosity. However, the coincidence was marked, as in other cases, by a lack of investigation by the media - such as its willingness to accept at face value the innocence of the original accounting firm that had registered the Mr Asia front firms.

It was not asked why, if this firm had suspected something, it did not inform anyone of its suspicions. The reason may be that the firm in question belonged to New Zealand Prime Minister Robert Muldoon - a former director of the IMF.

Pat Booth writes in his book on the affair, *The Mr Asia File* (Fontana Collins, 1980): "Mr Muldoon reacted angrily when he was quoted after

Johnston's death about the fact that the registration of offices of several of the Johnston companies were that of his accounting firm."¹ The former financier of Auckland's notorious second-hand car dealers "said that the use of the address had been an initial formality, and his company - in which Muldoon had not practised since 1975 - had never acted on their behalf. He said that his partners had become suspicious of the Johnson organisation very early and had asked them to change their listing."

As Booth points out later on: "Not knowing too much about a man who later develops into an international drug ring boss is not an offence, or even a reasonable point of criticism, but the fact is that something about what little they knew prompted them to act."

Mr Asia, however, had prompted the SIS to act but, as Booth reports, the SIS was not keen to explain why it was working off its patch - and luckily, no one bothered to ask why.

The repercussions of considering something more sinister belong firmly in the hands of loony conspiracists. Kiwis whose minds have been broadened by the Big OE (one year spent socialising with Australians, Canadians and white South Africans in an English pub) might be able accept that the heads of states of countries in South America, Africa and Asia may be directly involved in criminal activities, but to expect them to consider the possibility that the leader of a white "civilised" country might be involved in unsavoury business is asking too much. Our news correspondents are no better.

The journalists of this country seem never to have heard of the Boxer Rebellion, and they certainly hadn't been paying attention to the inquiry into the collapse of the BCCI Bank in July 1991 - a giant echo of the Nugan Hand affair a decade earlier. BCCI was found to have provided accounts to the CIA and the NSC (through its involvement in the Iran-Contra affair). Documents connecting BCCI and the CIA to Noriega were also found - these, however, vanished while in DEA custody⁹.

Yet, as incredible as it may seem now, even this author is not beyond self-censorship (or insurance). In all probability, had Muldoon not further incriminated himself by suppressing a related story by TVNZ journalist Keith Davies, and were a number of Muldoon's clique not so intimately involved with so many of the unsavoury types society produces (addressed in detail and depth throughout this book), I would

¹ Booth and I have spoken frequently during the course of writing this book. He and I differ on Muldoon's role in the great scheme of things.

probably be willing to join their ranks, rejecting consideration on the basis of an in-built bias to the way you view your own society.

Muldoon blew it when he went on to directly prevent Davies' investigation into the role of influential New Zealanders in the drug trade from being screened, as reported in Ian Wishart's book *The Paradise Conspiracy* (and confirmed directly to me by Davies, who saw Muldoon's correspondence on the matter - "That's pretty true"). In Davies' view, Muldoon was not "directly involved, but Muldoon was the sort who protected his friends".

The case centred on the mysterious voyages of the yacht *Valkay* in 1975. Among those on board was the brother of a senior National Government MP. Also on board the yacht was heroin. A lot of it. The brother of the National MP was promptly cleared of any involvement by police, but others on board were not so fortunate. Parliamentary debate records show the yacht, subsequently delivered into the possession of one of New Zealand's richest men, was crewed by "respected businessmen and lawyers", as well as the MP's brother, and was allegedly on a voyage to Thailand to pick up narcotics.

Davies script, which was read out in Parliament, noted that although the MP's brother was part of the crew, New Zealand police were not linking him to the heroin and he was not charged.

Ian Wishart discovered a much more serious case however.

During 1984 police were investigating cocaine traffickers targeting New Zealand's so-called high society: media celebrities, lawyers and – as it transpired – politicians.

But it wasn't the radio stars, the lawyers or even the merchant bankers that caught Wishart's attention: it was another prominent MP in the Muldoon government.

"My own intelligence links, and believe me they are very well-placed, whispered in my ear that a National MP had been caught on tape by police listening devices purchasing cocaine. So I made some further inquiries.

"Muldoon's government had a majority of one, and it could not be allowed to fall. What happened – and I have this from one of the cops on the end of the earphones – was that that arm of the eavesdropping operation was 'switched off', quote unquote.

"It didn't save the Muldoon administration, of course. But I discovered a whole range of shonky dealings going on in National. Another MP, Ray Le Varis, was also involved in the drug trade, and a Cabinet Minister was in the habit of demanding sexual favours as a precursor to some Government business deals."

The sophisticated eavesdropping paid for by the taxpayers did have some benefits, as radio stations were raided and staff led away in handcuffs in a cocaine bust that also netted a prominent lawyer, Dan Witters, and businessmen Stuart Cairns and Don Abel.

“Cairns and Abel were directors of the Italia Chain Company,” recalls Wishart, who investigated the matter during his research for *The Paradise Conspiracy*, and who was working at Radio Hauraki the day they led some of his colleagues away.

“Italia Chain also linked up with Ray Smith’s Auckland Coin and Bullion Exchange, which became Goldcorp, and Ray Smith says he didn’t know the cocaine money was being laundered through Auckland Coin and Bullion.”

Incidentally, it was private investigator Dan A. Thompson, a former police officer of 20 years experience who, according to the golden one himself¹, provided Smith with the tip off that Smith was the subject of a narcotics investigation by Customs. Thompson told him that Customs investigator Ross Kelly was following up information provided by Smith’s house-cleaner, Gail Janet Vincent (who was also Kelly’s girlfriend).

There was another twist: motoring magnate Neville Crichton allegedly provided information about Smith’s alleged drug involvement as well, but there was more to this allegation than met the eye. Smith and Crichton were huge rivals on the motoring racetrack, and someone had caused Crichton big problems by anonymously tipping off Customs that Crichton was smuggling drugs into New Zealand in the engines of his racecars. Naturally, no drugs were found, but the forced engine strip-down the night before a major race didn’t go down well, and Crichton suspected archrival Smith was behind it. The two men began trading allegations in a tit-for-tat stoush between the car dealer and the wheeler-dealer.

Following Dan Thompson’s tip-off, Smith went on the offensive, causing the Auckland head of Customs, Noel Dravitski, to deny that Kelly’s investigation had been officially sanctioned. Kelly’s primary source - his girlfriend and Smith’s housekeeper - then suddenly changed her story and severed her relationship with him.

Smiths autobiography, *Where’s The Gold*, is quite revelatory. One of his business associates, for example, was General Vasey, an adviser to drug and spy bank Nugan Hand.

¹ *Where’s The Gold*, Ray Smith, 1994

Once upon a time Smith had had many such friends. Smith writes that Labour's Trevor de Cleene, the Minister of Customs, had "...quietly suggested that he and Roger Douglas, then Minister of Finance, would be grateful to receive a share allocation..." and were subsequently allotted "...50,000 shares each...via another sharebroker to some obscure company".

Cynics might be tempted to wonder what happened to those shares, if in fact they had existed, when three days prior to the firm's official collapse, in a move played out at the expense of Goldcorp shareholders and creditors, the BNZ (in which Sir Roger was a principal director) drained Goldcorp's bank account of all its cash savings.

The connection to Goldcorp and drugs rises once more in Smith's book when, according to the same man who boasts of his friendship with US mobsters, he is taken by surprise to discover that cocaine dealer Dan Witters just happened to be using Goldcorp to launder drug payments.

Today a D Witters can be found listed at the address of 60 Khyber Pass Road Auckland. The same address cites a Stuart Hamilton Cairns at NZ Petroleum Co Ltd & DF Mainland & Co Ltd, associated with DF Mainland Securities. One Stuart Cairns is cited by Ray Smith as being his chief supplier of silver. Cairns and Abel were also arrested in the cocaine bust, as mentioned earlier, but the charges they faced related to personal use and were not serious.

"Stuart Cairns and Don Abel seemed to shrug off their involvement with the cocaine industry, or it certainly hasn't harmed them in Auckland business circles," recalls Wishart.

"Cairns in fact was a founder of merchant bank DF Mainland, which is now also involved in sharebroking. I would lay odds that there's not one business journalist out there in the media who knows about Stuart Cairns' background."

As Wishart scrounged deeper into the habits of Auckland's wealthy business leaders, he also stumbled on "wife-swapping parties with a twist": some businessmen were selling their wives to each other for "ten grand a pop", or putting them up as sexual prizes in card games.

"The bottom line" he argues, "is that ordinary New Zealanders are stupid if they believe for one second – one damned second – that this country doesn't have corruption to rival Queensland's heyday. And corruption has to stay hidden. The drug trade and organised crime are here because people in high places let it happen and profit from it."

As if to prove the point, Wishart's just-released book *The God Factor* accuses US President Bill Clinton of facilitating cocaine trafficking and money laundering in the US while he was Governor of Arkansas, and

presents evidence suggesting Clinton's aides may also have helped cover-up several murders.

It doesn't matter whether you believe in a direct conspiracy or a systemic failure - it is clear that somewhere along the line accountability has gone out the window. To leave it in the too hard basket is not acceptable. As Keith Davies concedes, "The authorities could stop it (narcotics trafficking) if they wanted to tomorrow" - a sentiment echoed by intelligence and law enforcement officials internationally. Nor is this speculation.

In 1980 the US Justice Department established CENTAC as an arm of the DEA. CENTAC was tasked with attacking not drugs, but the individuals who sold them. Instead of going after the arms of the octopus, as former operations had, CENTAC went after the head, with each new CENTAC being designed to place itself closer to the source. Armed with US conspiracy laws, CENTAC worked like a charm. Despite its size - in budget and manpower, it was marginal to the other mammoth anti-drug agencies then in existence - it netted 311 criminal charges against some of the most senior drug traffickers, earning it the title of "the most significant indictment to date in the history of drug law enforcement".

A report by the US Government Accounting Office, which was sent to scrutinise CENTAC by its many enemies, stated: "CENTAC seemed to be exactly what Congress was telling the DEA to do; there seemed to be a lot of institutional barriers against it." What happened to this success story? CENTAC was closed down as the Reagan administration announced its determination to win the war on drugs - a war which CENTAC felt was unlikely to be won, as "investigators and diplomats frequently find themselves arriving simultaneously on the same doorstep, one with handcuffs, the other with roses. Inevitably, the roses win".¹

American-style institutional barriers are equally familiar in New Zealand. Brian Davies, a Public Service Association organiser for New Zealand Customs, told journalist Ellmore Wellwood: "I have a list of 14 high-risk ships in the past 12 months where searches have been requested and denied."

The article tells how the identification of such ships would now be the job of a central office, instead of being carried out by staff at the 13

¹ CENTAC information taken from *The Underground Empire* by James Mills, Dell, 1986

² *The Christchurch Press*, May 12, 1998

ports. This has occurred as Customs has had its budget routinely shaved during the past decade, despite an increase in overseas shipping and air traffic into the country. As a result, Davies says, “there is no current information coming in about anything happening on ships”.

In Bluff, Dunedin and Nelson, “anyone can walk off the ship after hours and on weekends. There are New Zealand and Australian ships coming in on a regular basis and they know full well the port is open ... it’s virtually a miracle if someone got checked at the (Dunedin) waterfront”.

The effects of this were felt two months later when Auckland Customs netted \$50 million worth of heroin - the largest drug seizure in New Zealand to date - thanks only to a tip-off from Thai authorities. Such developments are worrying, in that at least one individual from the world of big business, with a large proportion of his fortune tied up in seagoing assets, is suspected by Customs of involvement in both weapons and drug smuggling.

During the seventies and eighties, and possibly still today, the Sergi family of Australia – a branch of the Calabrian Mafia – were shipping narcotics to New Zealand via ships that simply tossed their lucrative cargo overboard in Cook Strait, before they berthed in Wellington for a Customs search. Private craft or fishing trawlers owned by Wellington crime families would be standing by to pick up the narcotics, without fear of a Customs inspection because of their domestic origins. Multiply that kind of drug trafficking by the number of vessels plying the sealanes, and you begin to get a feel for the size of the problem. With crime that organised, one could speculate that it’s only *disorganised* opportunists who are getting caught.

The Thai affair (which, like several of the more significant busts in Auckland during 1998, had a South American factor) demonstrates that not all officials are corrupt, only some. But nepotism does exist at very senior levels - a message enhanced by former New Zealand undercover policeman Tom Lewis, author of “*Cover-ups and Cop-outs*” (Hodder Moa Beckett, 1998), who claims incompetence “robbed police of the chance to infiltrate the inner circle of the notorious Mr Asia drug ring”.

Lewis reports that following a smaller deal, police headquarters - citing worries over the loss of \$25,000 - shut the operation down, before in effect forgetting about the \$25,000 (Lewis had to remind them of its existence). Corruption remains a risk, especially among undercover officers, whose lives are disrupted or put at risk by their job, while they are acutely aware that their superior officers see them as expendable. Such an environment is naturally ripe for exploitation.

Lewis' own testimony regarding the police senior echelon's callous attitude towards its field officers has been repeated publicly by other former undercover police detectives, such as Wendy Heath, a colleague of Lewis. Her comments about how the current system enhances police corruption have appeared in *North and South* magazine¹ and on New Zealand television.

The theme is continued in an unnamed agent's statement concerning the failure of the police to prosecute seven former undercover agents for perjury, following an inquiry launched, surprisingly, as a result of former National MP Ross Meurant tabling documents in Parliament in 1996. This read: "We knew we would not be charged, because if we were arrested, everything we said about drug use in the New Zealand Police would be confirmed."² This includes, as Wendy Heath told *North and South*, police taking cannabis from police lock-ups for former police officers.

Former Dunedin police officers have alleged to Ian Wishart that members of that city's police are actively involved in organised crime, including sharing profits from prostitution. A separate source also names a Dunedin police officer who allegedly uses prostitutes to blackmail other police officers and even judges to undertake criminal actions.

Keith Davies' stymied investigation further illustrated police corruption, pointing at the involvement in the drug trade of police, lawyers (confirmed again by the above source - one of Dunedin's most respected lawyers), and in one case "possibly a High Court judge". It is a view echoed in Pat Booth's book, and a view carried on by one individual to a point that reaches further than Booth would ever dare. Throughout this book this individual has been given the codename CASPER.

CASPER alleges that he is a former member of the Special Air Service who was asked to resign from the squadron to undertake operations where the possibility of government deniability was greatly desired. Regarding CASPER's ties to the New Zealand SAS (whose relations and activities with other Western intelligence services are discussed elsewhere in this book), this cannot be authenticated.

It is certain that CASPER does have a military background, but none of his names (those known to me) appear in defence personnel logs, which date back to the 1960s. It is also certain that CASPER has an

¹ September 1995

² *The Christchurch Press*, January 10, 1998

association with at least one other individual, who has been a security consultant for a large corporation based in Invercargill, and several other large corporations, and who without doubt is currently involved in such covert activities. His names (those known to me) are also absent from defence personnel logs.

Likewise, it is certain that CASPER has retained his close links to the New Zealand security forces. This does not mean the reader should believe everything CASPER says. They should consider, however, where his allegations have led me to look. I have attempted to unearth open sources from available texts, and have cited sources to underline this point. At times, due to the nature of the world in which CASPER has lived, this has not always proved possible. Quite often I have had to turn to numerous private sources, who on each occasion have provided a form of verification, in that significant details in their stories have been remarkably similar to CASPER's. It should also be noted that in each case these witnesses' reports have received some acknowledgment from government agencies as being plausible. This does not, however, provide a guarantee of authenticity.

Hopefully, information documented further on regarding the activity, history, and standard operating procedures of the Commonwealth special forces will also serve to explain why the claims of CASPER should not be dismissed without consideration. His information is cited in the hope that by telling his story, others may come forward with documentation to corroborate the information.

CASPER alleges that organised drug and weapons smuggling did not begin with Mr Asia, but began among people associated with a consortium of companies brought into New Zealand to build the Tiwai Point aluminium smelter near Bluff and other "Think Big" projects during the mid-1970s¹. He says "most of those people are now up in Christchurch".

A former drug dealer from that period, whom we will call COLD EYES², similarly says: "They're now all accountants and lawyers in Christchurch."

I questioned COLD EYES before I was aware of CASPER's existence. This followed a trip to Wellington in September 1997 when, while preparing for an interview, a nosy bartender inquired what all my notes

¹ All interviews with CASPER took place in either December 1997 or May 1998

² Interview, Christchurch, October 1997

and papers were about. Being of the Mulder philosophy ‘trust every one’ I told him my purpose.

The barman replied: “You want a story, you should go and take a look at Bluff.”

I asked what he meant, and he explained that while living down there he had a neighbour working for the smelter’s operator, Comalco, who could get anything.

“What sort of stuff?” I asked, becoming interested.

“Cocaine, guns, anything,” he replied.

An Invercargill source also corroborates this. He names a well-known Christchurch real estate agent whose wealth is allegedly based on large-scale cannabis growing and exportation. He also alleges that everyone affiliated to Invercargill’s subcultures is aware of the origins of this man’s wealth¹.

I later approached the Christchurch Prostitutes’ Collective with the specific questions: do Christchurch’s “Mr Bigs” originate from Invercargill?; and does this clique owe its existence to activities undertaken in relation to firms connected to the construction and management of Tiwai Point during the 1970s? The women on duty at the time were understandably cautious about talking to a stranger just in off the street. Yet they admitted the existence of such a crowd, and confirmed its Tiwai Point affiliations.

A further source, street savvy in both Invercargill and Christchurch, whose contacts date back to the 1970s, also confirms the Tiwai Point link, and points to the American staff around at the start of the plant’s working life. She also specifically and with conviction points the finger at the US military’s Operation Deep Freeze Antarctic programme, operating out of Christchurch Airport.

I consider this source highly credible. Her information is supported by a number of sources, including airport workers, security personnel and sex workers, who time after time have repeated the same story². In such cases you are always wary of exaggeration, or, as Keith Davies warns, “the conspiracy theorist who points the finger at anyone better off than themselves”.

Yet regardless of hyperbole, the tales retain their consistency. In Operation Deep Freeze’s case, Christchurch intelligence officer for Customs John Anderson admits: “I have heard of such cases.”³

¹ Interview, Christchurch, August 1998

² Interviews, West Melton military base, June 1994, and Christchurch 1997.

³ Interview, June 1998

Anderson's analysis is conservative, with such smuggling described as "isolated and limited". However, he admits "no one in authority is really in a position to comment, as the search of Deep Freeze aircraft has been placed off limits to Customs".

I had deliberately sought Anderson out, as he had been one of the Customs officers involved in securing drug busts at Deep Freeze's base in the mid-1980s, leading then defence minister Warren Cooper to warn: "Don't let this thing escalate."

A real threat, with then minister of foreign affairs Brian Talboys having been briefed (and in turn briefing Prime Minister Muldoon) on the US stance concerning the jurisdiction of US military aircraft by the US Embassy, at the behest of Washington¹.

By 1981 Customs was undaunted, with a record of 40 drug interceptions involving seven military personnel and 28 civilians connected to the base. The US Embassy upped the ante - Wellington was sent a "fairly stiff" aide memoir. Cooper announced he wanted his ministry to settle the "contentious issue", while Muldoon ordered that the matter be "resolved".

Each US pilot was told that if local officials insisted on coming aboard, he should "close his doors and fly away rather than give in". Customs simultaneously suspected that the US Government was tipping off anyone whose name was placed on the list of suspects. On August 6, 1982 the US was handed a letter that declared, in effect, that Customs would keep off US aircraft at Christchurch.

The issue flared briefly in 1985, however. At 2:00am on October 13th, after drugs had been found on a crewmember on a civilian Deep Freeze C130 Hercules, Customs overrode the objections of US military personnel and Wellington and used a bolt cutter to break into the aircraft, after being told there were more drugs on board. The plane was empty. Following this unfortunate blunder the US formally complained, and the then Minister of Customs, Margaret Shields, assured the US government that it would not happen again. It never did.

But drugs and spooks weren't the only entertainment in Christchurch. While researching this book, I stumbled across the trail of arms dealers. Among them, one Stephen Andrews.

Andrews, a graduate of Christ's College, went on to serve in the US military with JUSMAG (Joint United States Marine-Army Group, commanded by General Edwin F. Black) and with the Royal Thai Air

¹ *NZ Listener*, November 13, 1989

Force on classified missions in Laos before returning to Christchurch in the 1970s, where he established Andrews and Associates¹.

The company's primary interest was the import, sale and export of arms, and it became one of the leading suppliers to the New Zealand Defence Force before its liquidation in the 1980s. Its success was probably due to the strong military contacts Andrews had, including top New Zealand military brass and former members of US and Commonwealth special forces. A number of these people were employees and directors of Andrews' business interests, which at one stage included Minerva, an associated firm specialising in private security, intelligence, and mercenary recruitment (explored in detail later in this book).

One Minerva director, Mike Graham, was a former member of the notorious Rhodesian SAS. Andrews' other partners included Hugh Templeton, the then Minister of External Relations, and Les Gandar, the then Minister of Education, under Muldoon. Later in this book we will look more closely at the activities of the role of arms dealers (including another MP) operating within New Zealand.

Another area of concern is a number of Christchurch lawyers with strong ties to the drug industry, and corruption within the police and justice system.

Just prior to this book going to press *60 Minutes* ran a story on former convicted heroin dealer, undercover police officer Wayne Haussman (16.5.99) who raised the same point. Haussman's story is significant in that it highlights the poor drug education provided to undercovers, stating that officers were not taught to "differentiate" between drug types, and on the non-existence of drug rehabilitation provided to police officers coming out of undercover work. *60 Minutes* estimates that "40% of the undercovers would leave the force with severe psychological and physical problems."

Yet today, nothing has changed. Yet another informer (a minor player in the Goldcorp scandal) reportedly sells drugs delivered to him by police detectives.

Such accusations are hardly new. Justice Department lawyer Keith Petersen, the man responsible for uncovering the RSL scandal in 1988, despite documented opposition within Parliament, had also alleged that New Zealand was actively involved in the laundering of international drug money, and that those involved were protected by their association

¹ Biographical information from *Wellington Confidential*, February 1, 1989

to those in power¹. This was also the belief of a Serious Fraud Office report, which in turn points to collaboration between organised crime and a Justice Department official. The individual who showed me this report would not provide me with the entire document, just relevant pages, in an attempt to protect his own sources.

However, a passage from the relevant document states that a Serious Fraud Office staff member approached Auckland journalist Warren Berryman about the subject, regarding matters connected to the “fishery exchange”, of which the SFO reports “Berryman had no apparent knowledge”.

In an attempt to identify the specific source, I phoned Berryman, who can recall no such incident other than he used to get together with Chas Sturt, then the head of the Serious Fraud Office, “over beers and we would discuss the villains and con-men we had encountered before I had a falling out with Chas over the Winebox thing”.

For the record, Berryman testifies to the Justice official’s character as being as “straight as a die”. Another supporter of the maligned Justice official is Ian Wishart, who says “If he’s off the rails then I’ll eat a copy of *The Paradise Conspiracy*. The whole thing reeks to me of a Serious Fraud Office smear campaign, and if you want to go looking for corruption in this country you’ll find it at the Serious Fraud Office.”

Berryman’s colleague Jenni McManus, however, had run a story in the *National Business Review* in 1988 on the relationship between the Justice official and his informant (whom the SFO report describes as also being his friend), John Victor Evans - the main player in the RSL scandal, later dubbed the “Gang of Twenty” affair.

The Justice official describes the Gang of Twenty saga as “Kafkaesque, being attached to people who, as far as he knows, have never been convicted of fraud”. However, as McManus points out in a subsequent article, Evans was with a legal firm involved in a property scam which left an Indian couple facing a mortgage repayment of \$93,000².

The deal would also involve Evans’s associate Mehdi Soleimani, who fled New Zealand ahead of an arrest warrant issued by the Fraud Squad covering 25 charges involving a total of \$500,000. The deal also involved Evans’s partner David Farquhar, the executive director of RSL affiliate Landbase Securities Ltd and, in passing, the proconsul for

¹ *NZ Listener*, July 30, 1988

² *NBR*, August 8, 1988

Pakistan (who's association was in no way of a criminal nature, to the knowledge of this writer).

The Justice Department was embroiled in controversy over the RSL affair, mainly for its decision to inform RSL of the media attention, leading the organisation to briefly censor the media through a court injunction. This led to investigations by the Serious Fraud Office (which cleared the much-maligned Justice official involved) and the New Zealand police. My own belief, based on the high regard which many have for the Justice official, is to give him the benefit of the doubt.

There exists, as the consequence of a threat to sue for defamation, a large dossier on the activities of John Victor Evans. In this instance Evans, a convicted criminal renowned for his fondness for dragging people into court over matters of defamation, decided to drop the suit.

Continuing with the theme of internal and high-level corruption, there is the case of former television journalist Murray McLaughlin, who told a colleague: "I've just been threatened by the chief of police."

McLaughlin, who had a reputation for hard-hitting investigative reports, including several critical of the police, said "I've just been told by (---), 'Murray, the boys are afraid if you keep this up, you might meet with an accident' " - accidents which the aforementioned Dunedin lawyer attributes to "firemen". "Firemen" is a term for police officers who are "not above framing or making someone disappear if needed". The success of some police officers' careers is apparently based on their ability to burn others, including fellow policemen. Both the lawyer and the source of the McLaughlin story are individuals whom I consider reliable.

The "firemen" aspect is also verified by Wishart, who was provided with information both from within the New Zealand Police Criminal Intelligence Section, and from a former Cabinet Minister, that the role falls to "certain former undercover police officers. I was told on one occasion of a senior police officer who is still addicted to heroin, and supplied with it by elements within the police force.

"The pure heroin, and regular, controlled supply mean this officer can continue doing a normal job, as long as he gets his clean regular fix. In return for this, there are certain 'tasks' he must perform, things that he won't ever feel the urge to talk about."

It is an example of the kind of corruption within New Zealand that should be investigated further, but never is.

"I have a real problem with it," mutters Wishart, "and I go back to the Serious Fraud Office to illustrate the point. I believe there is clear evidence of corruption within the SFO, as shown by the evidence placed

before the Winebox Inquiry and some that wasn't. Why didn't the Minister of Justice or the Attorney-General do anything about it?

"In my view, failure by departmental officials is one thing, but a failure by their political masters to rectify it is something much more sinister. Questions had been raised about the SFO's failure to properly investigate certain crimes since 1992, and yet you had Justice Minister Sir Douglas Graham bleating down the phone asking an investigator to back off because 'these people are my friends', while Attorney-General Paul East was frequently socialising with some of those accused and only declared a conflict of interest when his own cousin was named in Parliament in connection with some dodgy deals. In my view those two Ministers are no better than the crooks they hung out with."

Mr Asia was not an isolated case. There were other drug syndicates in New Zealand that also indicate clout from on high. American Philip Christensen, the son-in-law of a Thai general, used his connections to ship 75 tonnes of cannabis from Thailand to the US, Australia and New Zealand - the profits were later invested in property development and banks in the US. Strangely, not until his conviction did anyone question the large amount of cash he had used to pay for these investments.¹

This "ask no questions" policy is traditional in state governments, and was underlined in May 1983 in the US Justice Department's report "Operation Cashflow: The Movement and Impact of International Drug Money", which was classified NOFORN (No Foreign Distribution). The report cites the existence of four Asia-Pacific tax havens used for the laundering of drug money - Vanuatu, Nauru, and the traditional havens of Singapore (used by the Mr Asia syndicate) and Hong Kong.

The grounds for the report being confidential is that it names the primary launderers of drug money as including several well-known American banks, and Americans with ties to the US military-industrial complex. Of Christensen, it said: "An American living in Bangkok, married to the daughter of a Thai lieutenant-general, (who) has effectively used contacts with the Thai military and the Thai national police to further his operations."

The report's findings were repeated in 1989 in a memo dated June 16, dispatched from the New Zealand Embassy in Port Vila to the then External Intelligence Organisation (now known as the External Assessment Bureau), concerning drug money laundering and drug trafficking in Vanuatu. The summary is to the point: "While there exists no hard evidence that senior Vanuatu government officials are involved

¹ *Pacific Island Monthly*, November 1995.

in corruption, the indications are that this may be the case.” The memo says this “also has implications in both the short and long term for Vanuatu’s political stability”.

The EIO memo was sparked by the discovery of 50kg of heroin in Sydney sent from Hong Kong via Vanuatu, and the discovery of a large consignment the year before, which was linked to Olympic Champion - a Triad front - which was in turn linked to the collapse of Vanuatu Airways¹.

Olympic Champion’s proposal for a garment factory in Port Vila had initially been turned down (somewhat wisely) “on the advice of officials” by Minister of Trade Nipuke Natari. Two days later Natari was removed from his job and Olympic was granted full concessions by finance minister and deputy Prime Minister Sela Molisa.

The memo continues, reporting how Olympic Champion, with the patronage of yet another senior minister, Barak Sope (associated with the collapse of Air Vanuatu and the disappearance of millions of dollars), had attempted to bring in 40 fishing boats from Thailand. The company’s representative Paul Lau Wah (later convicted for his role in the heroin smuggling operation) arrived in Port Vila with large sums of cash (\$60,000), though there were “no immediate discernible business activities for which such money was intended, or to which we are told, can be traced”. However, Lau had “made a deliberate, and probably successful effort to tend influence to Molisa”, while “maintaining links with Sope” and being “extremely attentive to the agricultural minister, and (Vanuatu Prime Minister Walter) Lini himself”. The report concludes frankly: “Members of the government are now concerned that an overly close relation with individuals probably connected with a major drug trafficking operation may bring political danger in Vanuatu.”²

The memo also noted the extent to which Lini was beholden to the Vietnamese Dinh family (as Molisa extended his influence in the region of Santo), which had done “notably well from their association with the government”.

The Dinhs arrived in Vanuatu from South Vietnam at the end of the Vietnam War, and were closely associated to the Phoenix Foundation - an American syndicate which had earlier attempted to stage a coup in Vanuatu. Vanuatu’s association with money laundering, organised

¹ *Wellington Pacific Report*, March 1992

² *The US News & World Report*, Aug 19 1991, revealed Vanuatu’s involvement with BCCI’s criminal bank network.

crime and covert operations makes for interesting reading, making it clear why it is called the “peek-a-boo banking centre of the Pacific”.

According to the US Treasury, tax banks have been established in Vanuatu, the Cook Islands, Western Samoa, Tonga and Nauru by a number of conmen and fraudsters for the purpose of embezzling investors’ funds and assisting criminal activity, even though the islands’ governments may be aware of their criminal intentions, and take a cut of the profits. This led the Treasury to complain: “Nauru won’t even tell us the names of the banks it licenses, and Nauru never answers its mails or its faxes.”¹

In 1995, the US issued a federal warning against Allied Bank New York Corp., Paragon Bank and Trust of Florida, and California’s Wellington Bank of Commerce, who were told to “cease and desist from doing business in California without a licence from the Superintendent of Banks”.

Apart from the Lau Wah affair, Vanuatu is synonymous with money laundering scandals involving organised crime, the most well-known being the Dragon Bank scandal.² Dragon Bank was a Vanuatuan offshore company that established between 600 and 1000 front companies for the purpose of laundering drug money originating from Hong Kong, Indonesia and the Philippines.

In a similar affair, former Australian Prime Minister Bob Hawke had to return \$300,000 invested in a Canberra TAB scheme. The corporate press reported, “Unknown to Mr Hawke, the Vanuatu-based agency that Hawke had invested in had turned out to be a front for a money-laundering scheme”.³

As with Muldoon, despite the work of respected journalists like John Pilger (whose *Secret Country* extensively reports the relations Hawke has had with both the CIA and the Australia Mafia), Hawke remains above the consideration of (as opposed to actual) blame.

Elsewhere, tax havens received a hammering - as in the UN investigation into money laundering, which conservatively estimates that the world drug trade generates twice the revenue of the global pharmaceutical industry, saying \$1 billion in drug money a day passes into offshore accounts via electronic transfers.

It is further estimated in a 1995 *New Yorker* investigation that 40 percent of Russia’s wealth has been transferred out of Russia by 80

¹ *Pacific Island Monthly*, November, 1995

² US State Department *International Narcotic Control Strategy*, March 1996

³ *Melbourne Age*, January 14, 1998

percent of the Russian commercial banks (thought to be owned by organised crime) into tax havens. Lucy Komisar, writing for *Earth Times*, reports that for this particular purpose the Russians “particularly liked [tax havens in] Cyprus, the Caribbean, Vanuatu, the Cook Islands, Western Samoa, and Uruguay”.

This has been echoed this year by Mike Sala, director of the South Pacific Islands Criminal Network, who has found evidence of the Russian Mafia stashing money in the Cook Islands, Nauru, Samoa and Vanuatu. According to information provided by an OECD provincial taskforce, the Russian Mafia is involved in Fiji, Niue, Tonga, Samoa and Vanuatu.¹

One particular tax bank is of interest - not only in that it is based in Vanuatu, but that it has a subsidiary in New Zealand, whose major selling point (so its prospectus boasts) is “guaranteed confidentiality and discretion”. To add to the image of this bank, in the time that it and its subsidiaries have been registered, the directors have (according to available company records) been listed under four separate names. The four names are in fact two people, though this is actually due to their original Russian names being translated into French and then English (This is examined in detail later in this book).

In turn, Neil Morris of the Serious Fraud Office, whose own reputation has him placed as a reliable and honest person, confirms that the company had come to the SFO’s attention. Morris, however, described the matter as “straightforward, with the matter resolved quickly” - of the bank’s key directors, he said: “They’re nice people.”

He sees little suspicious about the company, but admits that on the matter of money transfers, “money can be routed out of Citibank New York (as an example only) into such companies, but once they are passed on to the Bahamas, Eastern Europe or the Pacific Islands, we hit a brick wall, and there is no way of finding out as to whether the money covers legal or illegal activities”.

One individual who nearly ended up working for a Vanuatu-based tax haven bank in the 1990s was less trusting than Morris. During the course of a telephone interview with a representative of the bank (whom the source recalls as a Mr Roberts or Robinson) related to the possibility of the bank hiring him as an interpreter, the source quickly formed the opinion “that this organisation was very heavy; I was left with the firm impression that if they weren’t the Russian Mafia they were damned close to it.”.

¹ *The Dominion*, Mrch 12, 1999

He told me: “I queried Mr R. of the source of the bank’s money. He replied, ‘I don’t care - on Monday I go to the bank, and if there’s a million dollars in my account I don’t ask where it comes from’ ... I asked as to whether it was possible that the money might be dirty. This didn’t seem to bother him, the answer was, ‘Hey, you’re talking to the converted’. At this stage I started feeling very uncomfortable, so I said farewell and quickly put the phone down.”

I asked the source if he recalled the name of the bank. “It was a while ago, but I remember that the bank had an MP as one of its directors; he was one of those right-wing types ... I got the impression he was there more as window-dressing, to give the bank a veneer of respectability, rather than for any practical use.”

Shortly afterwards I made enquiries with a friend of mine in a similar line of business. As it turned out, he knew the principal members of the bank very well. “Oh Ben, don’t mess with them, they have some very dangerous customers.” I asked him if he was sure about that. “Very sure.”

It does not take a genius to piece together what is known publicly with what is written here to reach the conclusion that the bank concerned is Prok Bank, and the MP in question is former Hobson MP Ross Meurant. However, the reader is warned that while the information in this book would indeed seem to indicate some peculiar actions, if taken at face value, it does not constitute proof. In saying this, it is the opinion of one Customs officer with his own interest in Prok that the SFO’s investigation into the 1995 scandal “was a complete joke”.

At the time of the Serious Fraud Office’s inquiry into the bank, Neil Morris believed it was staffed only with Russians. However, this is only his opinion.

Notably, Prok Bank’s website states it is associated with a construction company in Cyprus, precious mineral exporters in the Russian republics, and leading Russian bank Tokobank. It would be unwise to read anything too sinister into the association, but I note for the record that European authorities, quoted in the *St Petersburg Press*, have alleged Tokobank is controlled by the Russian Mafia – an allegation denied by Tokobank. Despite the denial, one would have to be terminally naïve not to realise that the explosion of organised crime in Moscow has been matched by a commensurate explosion in Russian banking.

And Prok’s involvement in the precious metals business puts it right in the bear-pit with agents of the former KGB, the Russian Mafia and even former CIA operatives.

Time magazine's investigative journalist Jonathan Beaty spent weeks in Russia undercover on a mission to purchase precious metals.

"*Time* traced one secret multimillion-dollar sale of osmium 187, a by-product of nuclear reactors that is not weapons-related but is an extremely expensive metal with applications in nuclear-energy production. The middlemen in the deal included a former party official and a member of the KGB, who acquired the element worth US\$40,000 a gram from the factory and sold it to a Swedish company for US\$70,000--though it is not clear whether the profits went into private pockets or the depleted coffers of the KGB.

"There are staggering profits to be made selling Russia's precious metals, especially those mined or produced by MINATOM. These include internationally restricted materials like boron 10, which is used in reactor control rods, and osmium 187¹, a nonradioactive isotope that can sell for more than US\$100,000 a gram. International trade in other, less exotic materials, such as zirconium, beryllium and hafnium, is controlled by nuclear nonproliferation agreements.

"More sophisticated buyers cultivate contacts with a small community of international brokers, mostly Germans and Americans, who work out of Switzerland. These brokers have sanitised their operations so thoroughly that they never actually meet the seller. According to participants in the trade, couriers deliver the seller's metals and the buyer's cash to one of the Swiss banks specialising in the metals trade.

"There the metals are tested by an independent laboratory for atomic count and purity. If the metals are certified, the bankers hand them over to the buyer and deposit the cash in the seller's numbered account.

"Most rare-metals traders, however, abandon any pretence of legitimacy and begin to act more like characters in a Hollywood thriller. Buyers, accompanied by bodyguards carrying suitcases of cash and by their own scientific experts for testing the goods, fill hotels in Baltic ports, where Russian smugglers congregate. The sellers are most likely to be Mafia-connected hustlers or former KGB agents--some of whom have even set up joint ventures with former CIA agents to smuggle strategic materials. The trade is so brisk that Estonia has emerged as one of the world's leading exporters of rare metals, even though it produces none.

"Few buyers take the most profitable - and dangerous - route of travelling directly to the mining cities to find a contact and cut a deal

¹ According to Prok's website, Prok specialises in osmium 187. Nothing if not top shelf.

without middlemen. After weeks of travel, we knew how risky that could be, but we had also discovered that the KGB was running most of the clandestine trade to generate hard currency to help support the secret-police agency. “The KGB has no real mission anymore. Its budget has been slashed, and Yeltsin has signalled a purge is on the way,” explained a Western intelligence source. “But conservatives in the defence establishment believe the KGB may be needed again, and have encouraged them to become more self-supporting.”

But the Russian Government still pays attention to the metal dealers – occasionally throwing a dozen or so in prison as scarecrows – so the dealers are wary of direct cash changing hands. Instead, as Beaty reports, people buying the restricted metals deposit their money in a “bank”, which then advances that money as a “loan” to the company or person selling the minerals.

As collateral, the seller “deposits” minerals to the equivalent value with the “bank”. Then the seller “defaults” on the “loan”, and the collateral – ie the precious metals – are passed to the buyer who originally advanced the money for the “loan”.

End result? Buyer gets metal. Seller gets cash. And it is not reported as a “sale” to the Russian Government.

This doesn’t mean that every transaction is shonky, or that every customer is.

The only fact in the matter is this: getting involved as the director of a Russian tax haven bank invites the public to ask questions.

Yet before examining the nature of Prok and its associated executives and directors let us first return to Meurant, the former surveillance equipment salesman, and his involvement in the 1991 arms dealing affair.

It became public when Meurant, the man who had led the Police Red Squad during the South African Rugby Tour, was caught following a defence leak to the *New Zealand Herald*.

The paper reported that the Government MP had put in a tender for surplus Army weapons *before* it was publicly advertised. What’s more, he’d done it on his parliamentary letterhead, which could be seen as conferring some sort of official sanction on his bid.

Meurant responded, saying it’s “wrong to see me as an arms trader”, although I suppose the obvious response to that is “why?”. After all, he was trying to buy weapons, presumably not for personal use. And he’d

lodged his bid before anyone else¹ had a chance to, which is akin to insider trading.

Yet this aspect of Meurant's involvement was overlooked, and instead the media concentrated on the 'conflict of interest' side of the story, where Meurant's initial letter had been under the auspice of his electoral letterhead. This was, in effect, a conflict of interest, and I believe Defence Department officials realised this in their refusal to act upon the letter.

When approached by the *Herald* Meurant in effect admitted this point, but justified it by stating that having realised his error (only after the abuse of his office had been pointed out to him in what Meurant termed the improper assertions of public servants) he then corrected his mistake by reapplying with an identical letter in the private capacity as the chief executive of his Dargaville based company Southern Personnel.

He attempted to shift responsibility by asserting that he expected the letter to have been referred to Defence Minister Warren Cooper and the Chief of General Staff, Major General Bruce Meldrum, the former director of Minerva Security Consultants - the mercenary outfits of SM Andrews.

However Meldrum denied all knowledge of the letter or Meurant's application for the surplus NZ defence weapons. Cooper, at this time, was a crown minister. His response typified the state of the nation: he simply refused to speak to the press about the incident. No one bothered to ask Templeton, for no one had even bothered to think of that particular connection.

Meurant's "I am not an arms dealer" (kind of reminds of you Nixon don't it?) line was further defended with Meurantese logic by his claim that he had not made one cent out of the \$16 million dollar arms sale. Yet Meurant refused to open his books to scrutiny or to name the company that he was acting as agent for. As the heat of public scrutiny came on, the Hobson MP slithered away from the deal stating that the delays had caused the original party to lose interest. Yet the turkey shooting season continued when the *Sunday Star* (1.1.1991) pointed out that the delays had occurred because there were "some questions" about the end user certificate to be supplied by Meurant.

The question that should have been asked next, but wasn't, is where did these weapons end up, in the event that they were not sold to Meurant?

¹ Meurant's bid was dated December 13, 1990. Defence spokesman Nobby Clark confirms this pre-dated the tender announcement.

Owen Wilkes, unaware of my own sources regarding NZ weapons deals, and unfamiliar with the White allegations, recalled that in this case the weapons appeared to have ended up in Yugoslavia which was at this time under an arms embargo following the Serbian - Croatian – Bosnian conflict. Whereas Les Gee had previously speculated that such arms were as just as likely to have ended up in Fiji.

The exact location will probably never be revealed, yet in correspondence with the Defence Department the initial recipients have been identified as Century Arms (who would later be involved in the shipment of arms to the Solomons), and UK based Dince Hill later the subject of an investigation in 1998 by Customs and Exchange in the UK for their role in supplying English organised crime syndicates with handguns.

Meurant's colours in the affair were clouded further by his role in the head hunting of NZ defence personnel via his other firm Arms Services ("it would be wrong to call me an arms trader") for employment in unnamed African & Middle East Nations. Meurant's former ally Grover identifies at least one of Meurant's client nations as Iran - the police state that despite the coming of Islam has changed little. The Shah may have gone but bureaucrats and greed remain.

Level 7, 71 Symonds St Auckland is the home of Prok Bank, the firm to which Meurant would later be tied via his position as a director of the said bank. Prok's reputation has previously been discussed yet perceptions of it continue to haunt the NZ Customs Service, among others. It came to their attention following what Customs Intelligence officers will only describe as an "incident" at Wellington airport.

Refusing to take 'no' for an answer, I continued to badger Customs and managed to ascertain that Customs' interest in Prok came via their interest in another Prok associated firm, Xtra Enterprises, run (according to the extensive flowchart I was shown) by Alexander Soukhine.

The SFO's Neil Morris is probably unaware of how close to the truth he was when he described the people at Prok as resembling "KGB rejects": Customs Intelligence reports Soukhine had, in fact, been an officer within the KGB. Perhaps the SFO should have gone and talked to NZ Customs.

Customs' interest in Xtra followed "persistent rumours" about a fleet of fishing vessels that were owned by an associate of Xtra and Prok in Nakhodka. The ships in question had a history of going under – financially not literally - at the expense of the creditors (and the crew who in the proceedings would get shafted out of their wages), going into receivership only to be repurchased in a complex paper trail by

subsidiaries of what Customs believed to be one of Prok Enterprises' associate companies – Magdia Ltd from Nakhodka, a city where the Russian Mafia's control is second only to the influence that the Mafia exerts in the naval and spy-ridden city of Vladivostok (which in fact is located not far from Nakhodka) the traditional Russian link to the Pacific.

As a brief aside, the link between Intelligence and the Russian Mafia is hardly surprising. The personnel of the NKVD, the forerunner to the KGB, had originally come from the ranks of Lenin's heavies, recruited from the Russian criminal classes. In Eastern Europe such subcultures have traditionally held a symbiotic relationship with the state (not unlike the Japanese Yakuza). In return for their services as agents-provocateur, informers, and general doers of state skulduggery, the criminal classes were allowed to operate with virtual *carte blanche* within the lower strata of society. The relationship began under the Tsars, then under the Communists. Today nothing has changed.

From a social studies point of view it is interesting to note that similar patterns emerge elsewhere, like the Triad and Tong gangs in Asia, who can be found as a major force in the Boxer Rebellion, and during the shift from feudalism to nationalism, and later as supporters under Mao. In Japan the Yakuza had been used for dirty work first by the emperor, then by the military in the lead up to and during WWII, again they were used as a political instrument during the Marshal Plan-installed post WWII Japanese government (where the Yakuza were utilised to break the Japanese Unions). Today this relationship with the state has been taken over by the contemporary Yakuza's dealings with the multinationals. An example of this is where Yakuza enforcers are brought in to control, or intimidate, small shareholders at AGM's. From the New Zealand point of view it might be significant to note that the modern Yakuza are generally considered to control the entire Japanese second hand car industry.

The Nakhodkan Mafia influence was hinted at in late 1998 during a NZ *60 Minutes* documentary following the New Zealand shooting of Russian immigrant Valery Stokov. Stokov was gunned down (but survived) in an Auckland carpark by men friends of the people running Vilar Enterprises (the Prok subsidiary which like Xtra Enterprises is housed at level 7, 71 Symonds Street). The shooting followed an argument and some heated Russian tempers, a clash between Russian

immigrants¹. One of those arrested and jailed is Mikhail Zagnoiko, the son of a Nakhodka industrialist associated with Magdia. The father, a metallurgist incidentally, is regarded by locals on the Russian seaboard as a key Mafia figure.

The Wellington incident that alerted Customs to Prok occurred in relation to machinery parts that Customs inspected, during which a Russian temporarily detained had let Prok's name slip - "at which point he promptly lost his ability to speak English," stated one of my Customs sources. Shortly afterwards the investigating team became aware of a group of Americans tied to Xtra (their exact nature I was unable to ascertain). The Americans in fact turned out to be Nakhodka Russians who had inexplicably obtained US citizenship.

The group seemed to think discretion meant bulky bodies encased in badly-sized but expensive Armani suits, wrap around sunglasses, and being loud and obnoxious. To add to their Gary Larsen-like depiction of goonery their pockets brought further attention in Napier, containing face smashing fist sized bundles of large denomination notes. Their extravagance extended to the hiring of limos, and the flying in of 'girlfriends' and wives from Nakhodka for weekend jaunts, and on every occasion everything was always paid for in cash and cash only.

The machinery parts also introduced Customs to Prok executive Valery Vall, who in fact appeared to have initiated the entire investigation when a Lyttleton resident approached Customs alleging that Vall had expressed a wish to get intimate with his kneecaps. Vall left Lyttleton in May 1997 and, according to Customs information, he currently resides in Singapore.

In Lyttleton at this time there resided, according to one of my more streetwise sources, another Russian businessman who by chance had the Christian name of Vall, a close associate of certain Christchurch businessmen. Yet as my source had been unsure of his last name, we cannot assume, as I pointed out to Customs, that this is the same individual as Mr Valery Vall. Vall, after all, is the Russian equivalent of Barry.

¹ This wasn't the only incident involving immigrant Russians. In January 1998, a Russian woman, mother of two, plunged to her death from a balcony outside Sir Michael Fay and David Richwhite's private office at the top of the Fay Richwhite building. There were no suspicious circumstances. The accident was witnessed by 1500 people, but because of Coroners rules most details of the incident were suppressed and not reported. The woman was depressed at the time and Fay Richwhite staff did not realise she was in the building. Attempts had been made to talk her down.

Vall, last name unconfirmed, was reported as having been a regular at the Lyttleton pubs frequented by bikers, prostitutes and foreign sailors. During such visits he had boasted that his arrival to New Zealand had come via Germany to which he flown having first stolen an aircraft off the Russian Airforce. For this indiscretion Vall had been warned by the security services “Come back to Russia we will shoot you, we will shoot your family, we will shoot anyone stupid enough to admit they know you”. Crude but effective law enforcement you have to admit.

This Vall would further boast, according to the same source, of dealing in black market weaponry. This Vall disappeared, according to my source, from Lyttleton in early 1997, some time shortly after Dr Greg Newbold’s public statement regarding black market arms sales in Lyttleton, originating from Eastern European sources.

Initially this Vall was believed to have moved temporarily to Timaru before vanishing completely around May 1997. My information about this Vall came to me before I talked to Customs about the Prok Vall.

Yet before we continue, let’s break the data down by the numbers. Firstly, the information concerning Vall is hearsay, not evidence. Secondly in regards to Prok and Xtra Enterprise’s association with criminal types (a fair classification in at least the case of the Stokov shooting) this does not constitute a crime. If it were, a hundred percent of the lawyers in New Zealand would be behind bars. Thirdly, nothing that has been described to you to date constitutes proof that either Prok or Xtra were involved in criminal action. Yet by the same standards, two separate government agencies, and the national media (and it is my understanding that Prok is also of interest to US authorities) have all found the activity of this group, and their affiliates, sufficiently suspicious to cause them to ask whether Prok is involved in more than the legitimate commercial enterprise of investing in inner city development.

Yet another NZ Russian connection, albeit a minor and tenuous one, can be established via the 1994 Vladivostok murder of Wellington lawyer Gary Alderdice and the beautiful Mafia-controlled prostitute Natalie Samofalova - whose eyes speak of hardness, a defensive cruelty. Perhaps it’s my imagination, but when I look at her face I see a grief unique only to those who have lived a life in which terrorists and pain abound, a life of dealing with the kind of hurt that no one should ever have to endure.

The June 24th murder of Alderdice, and the murder-torture of Natalie has been the cause of much speculation. Some claim that it was a straightforward robbery, with Alderdice, the veteran Hong Kong lawyer,

declaring - in the heart of Mafia territory (either by virtue of temporary insanity or a false sense of security) - that he was carrying the equivalent of \$300,000 in cold hard cash to the poorly paid and extremely corrupt Russian Customs officials who welcome visitors to crime-plagued and impoverished Vladivostok.

Another theory states that having fallen in love with the ethereal-looking Natalie, he was attempting to buy her freedom from Mafia bosses but that the deal had gone terribly wrong. Indeed, if love was the cause of Alderdice carrying large sums of cash around the streets of Mafia land, then the theory has poor logic in claiming that Natalie had been subsequently murdered as a warning to any of the other Mafia-owned women not to try to break free from their lives of indentured rape.

One would think that white slavery would have in fact been encouraged, not crushed, as a profitable sideline for the pimp bosses in this cheap and disposable, region of the world, where replacing the hole filled by Natalie's absence would have proven no great effort. To use this line is to claim that greedy people killed a golden goose, surely capable of being squeezed of a few more golden eggs.

Money was no problem when it came to the Simon Templar, self-assured looking Alderdice. The avid gambler, a renowned high roller, would spend close to \$44,000 dollars on a month long holiday for himself and Miss Samofalova (whose company Alderdice presumably paid for on a daily basis in cash) at a hotel resort on the reportedly Triad controlled island of Macau in May 1994.

For as much as I can understand how a passionate kiss can burn through to the soul, warping the mind, for as much as I can relate to the concept that it's possible to become self-destructively crazy when it comes to love (been there, done that, have the t-shirt), the cynic in me lights a cigarette, and stares at the picture of man with a thin controlled smile, surgeons hands, and a look that dives between mischievous and calculating, and it starts reviewing the discrepancy that leads me to ask if Alderdice was as charming as the legend.

His death was not Alderdice's first encounter with violence: in January 1994 he was hospitalised with a serious knife wound. An event which, while threatening legal action against Hong Kong news media over coverage of the matter, had led Alderdice to state "two people know what happened. One's in another country and the other's me".

A second anomaly arises in that in the Alderdice case the police in fact caught and charged two men with the murder of a foreigner and a whore, neither having much value in lawless, xenophobic, machismo-

based Eastern Russia. The arrest in itself indicates a diversion from the expected norm.

The irregularities surrounding expatriate New Zealanders in Hong Kong are well known. Even the laughing stock of NZ law enforcement, the SFO, had discovered this point when the man originally selected to head this elite crime busting unit, Warwick Reid, a man who like Alderdice had been a high-flying Hong Kong barrister, was himself busted for fraud.

But regardless of the actions of either Prok or Meurant - regardless of the faith I have in the reasoning and character of these sources, or the fact that their testimony confirms my own speculative beliefs - their opinions concerning the nature of Prok and the role of Meurant remain as much hearsay as the positive testimony Prok received via Neil Morris at the Serious Fraud Office. The reader should note that Meurant's involvement with Prok was fleeting, and he wasn't part of the organisation when these later events transpired.

In 1992 Paul White was killed in a mysterious car accident in Auckland (mentioned later in this book, and in Ian Wishart's *The Paradise Conspiracy*). He had just received \$15,000 for returning 2 computer discs to Citibank – including a disc that, according to White and others who viewed the disc's contents, documented secret tax haven bank accounts held by senior New Zealand politicians. There were also suggestions of secret deals involving the large-scale shipment of weapons from an Eastern European country, in exchange for New Zealand writing off the debt accrued by sales of products to that country. These weapons were then sold off to an unnamed Middle Eastern nation (the Serious Fraud Office was severely criticised for its mishandling of the investigation into the Citibank discs).

Despite a number of irregularities, the Paul White affair received only a brief flurry of media attention. However, had the media chosen to dig deeper, Pacific tax banks would have provided a promising start. The twilight world of arms dealing was closer to our shores and had a longer history of association to the region than many could have imagined - as Ross Meurant himself could have testified.

The same year, Meurant had been embroiled in controversy over his involvement in the sale of weapons for an unnamed British company. Meurant's former associate, former Hong Kong magistrate Frank Grover, stated in a telephone interview: "I can't remember their name - it was an acronym of some sort."

He said KMS, a firm run by former SAS soldiers with close ties to the British government "sounded familiar ... it was a while ago, I can't be

sure, but I remember they were a heavy lot tied into mercenaries and all sorts of nasty things”.

Disgusted at Meurant’s involvement, and a related plan to employ former New Zealand military personnel on behalf of foreign governments, Grover resigned. Shortly afterwards, during a heated discussion on the affair, Meurant cornered Grover in a toilet, warning him not to go public with the reasons for his resignation - “If you do, I’ll be waiting for you”¹.

¹ *NZ Listener*, December 17, 1994, with assistance from Bruce Ansley

CHAPTER THREE THE MEDICIS OF MINERVA

“You’re the gorgeous of the Bourgeois” - Barron Greenback’s henchman, Crow, *Danger Mouse*

The involvement of Meurant (and the other “Honourable Men”) in the arms and mercenary trade is discussed later in this book. Yet as early as the 1960s, the Pacific was receiving the attention of those who wished their own affairs to pass without notice.

In 1963 British arms dealer Sam Cummings - a former CIA officer - working through his New Zealand agent W M Scollay, attempted to buy weapons from the New Zealand Defence Department¹. Despite, as archive records show (thanks to Owen Wilkes), the enthusiasm of the New Zealand Army, the deal did not go ahead, mainly for economic reasons. The same year another arms dealer was also becoming well known in the Pacific - Adnan Khashoggi, the Saudi Arabian who later gained fame for his role in the Iran-Contra affair and the BCCI scandal.

Khashoggi had been tasked by the Royal House of Saud to explore the world of peek-a-boo banking so that Saudi Arabia could provide rebels in Yemen with British and French weapons (without alerting Egypt, which was supporting the Yemeni government). In the course of researching the subject, upon which Khashoggi was to become an expert, the tycoon cast his eye on the Pacific.² As the history of his association with Pacific leaders testifies, he liked what he saw. Khashoggi’s Pacific contacts included deposed President Ferdinand Marcos of the Philippines, Fiji’s Sir Ratu Kamisese Mara, Cook Islands Prime Minister Sir Tom Davies, and the King of Tonga.

It was not until the 1970s, however, that things really took off, after a right-wing group of Americans dubbed the Libertarians (who were also involved in the Iran-Contra affair) took an interest in the region. The Libertarians included the likes of tax haven architect Michael Oliver; Mitch Werbell, designer of a machinegun silencer used in the CIA’s Operation Phoenix assassination programme; Robert Vesco, a conman, drug dealer and gun-runner affiliated to both Fidel Castro and the CIA (via his involvement in the 1972 Chile coup); and General John K. Singlaub, the former US Army covert operations specialist turned arms and mercenary warlord.

¹ *The Arms Bazaar*, Anthony Sampson, Hodder & Stoughton 1977

² *Khashoggi*, Ronald Kessler, Bantam 1987

Oliver, a keen advocate of free enterprise, first appeared in the Pacific during an attempt to take over the Tongan island of Minerva, for the purposes of establishing a no-questions-asked tax haven, but his mercenaries were chased off by the Tongan Army, as legend has it, “waving spears”. Oliver then settled on a small island near the Bahamas. This plan also fell through when Werbell, Oliver’s weapons supplier (and Singlaub’s friend and associate – Werbell’s nickname was the ‘Whispering Wizard of Death’) got into trouble with US authorities over sales of weapons to Vesco in South America.

Not one to give up, Oliver later became associated with the attempted uprising in Vanuatu by Santos secessionists, supported by right-wing French elements and the US-based Phoenix Foundation - the latter comprising former American and South Vietnamese servicemen, hoping to create a retirement home-cum-tax haven for Vietnam War veterans. The uprising was quashed by Commonwealth troops and, again, the interference of the US Justice Department, which threatened to jail the US financiers if they continued to interfere in Vanuatuan domestic politics.

Yet where arms had failed, “diplomacy” would succeed. Oliver eventually wound up in the good graces of both the Tongan royal family and the Vanuatu government. Subsequently, he is credited as the architect of Pacific peek-a-boo banking. The extent of Oliver’s influence is further underlined by the fact that in Tonga, he was awarded diplomatic status, with full diplomatic immunity, until Tonga revoked his consulate passport after pressure from the US Justice Department.

More recently arms, tax havens and the Pacific crossed paths when former Mossad officer Victor Ostrovsky claimed that Vanuatu had been used as a transit point for shipping Israeli weapons. “After they (British Intelligence) had given me the money, I immediately told them about the Mossad involvement in the killing of a leader in the Pacific island of Vanuatu because of the office’s suspicion that he was trying to make contact with Qaddafi. That was the official reason for their involvement; the real reason for the assassination was the particular leader’s resistance to an Israeli arms dealer who wanted to use the island as a storage base for his arms sales to the region. The dealer was an ex-Mossad officer, and he had contacts inside the organisation to pull it off.”¹

Ostrovsky is a modern-day version of Berlin’s “bond boys” (freelance spies who sold intelligence agencies information clipped from the daily

¹ *The Other Side Of Deception*, Victor Ostrovsky, HarperCollins 1995

papers). His book omits a number of significant details concerning US-Israeli intelligence operations, specifically the level of American involvement in these affairs (such as KK Mountain, examined in detail later on). There are also questions about the accuracy of the work by “the man from Mossad”. For example, as mean of providing collaboration for the affair cited above, the “ex”-agent provides the reference “Vanuatu: South Pacific News coverage upsets leaders”, *National Business Review*, July 7, 1989”. The story does mention an assassination, but the assassination occurred not on Vanuatu, but on Belau in Micronesia. The story was written by New Zealand’s own specialist in South Pacific affairs, journalist Dave Robie - ironically, about how the media can get even the most basic facts completely wrong. Robie got it right – Ostrovsky got it wrong. Robie’s story does, however, mention some interesting elements concerning Vanuatuan politics that relate to points raised by Ostrovsky in his book.

Vanuatu’s Prime Minister Walter Lini was indeed having problems at this time, as the result of an outside force. According to the media, the problem was the result of Libyan influence within Vanuatu - a story which was largely fabricated, the by-product of a US-Israeli disinformation programme aimed at Libya, code-named Operation Tulip (stage one) and Operation Rose (stage two) by the Americans.¹ Ostrovsky’s book does not dwell on this.

The Libyan connection did exist, though its scope was greatly exaggerated. It originated not with Lini but with his political rival Barak Sope (called a “Marxist businessman” in the leaked AUSTEO report) - who was, after all, the one with Libyan-trained bodyguards. Israel was implicated shortly afterwards when Australia’s National Intelligence Organisation (the geniuses who lost the AUSTEO report) argued in a report whether the Libyan presence was a result of the sudden increase of Israeli influence in the region, or whether the Israeli activity was because of the “sudden” Libyan presence.²

Further, to provide fuel for conspiracy theorists of a more imaginative bent, Lini the Anglophile (by Vanuatu standards) had not died. Yet on the day that 42-year-old Lini was to meet with US officials in Washington, he suffered a hospitalising stroke.

Meanwhile, Vanuatu’s supposedly Libyan-aligned government, now represented by Sela Molisa, apparently developed many friends in

¹ *Veil*, Bob Woodward, Headline 1988

² *Wellington Pacific Report*, 1987

Washington, who did not seem too concerned at such Libyan ties - such as Sope's Libyan-trained bodyguards.

Vanuatu's opposition leader, Max Carlot, had also developed "friends" in Washington, only his friends were affiliated to the right-wing World Anti-Communist League (WACL). He had also developed friends with WACL connections in French New Caledonia.¹ The French connection was unsurprising, as New Caledonia had become the new home of the Santos exiles following their attempted coup in May 1980. Significantly, on the day when election-related rioting broke out in Port Vila in May 1988, the French Embassy was reported as having had its anti-riot shields in place *before* the riot broke out.²

This outburst of violence coincided with French Commandos *accidentally* landing in Santos while on a "training exercise", while in Port Vila it was recorded that every window on the main street was smashed - except those windows belonging to the offices of Air Caledonie International. Yet in the end, proof would come later when Carlot's party was found to have received funding from right-wing French nationalists with WACL affiliations. Sope and Carlot would later be implicated in inciting the riot.

Unlike Vanuatu, the Belau case cannot be used to make reference to either France or Israel. Yet the events in Belau provide evidence (in a somewhat less complicated form) of political meddling and gun-running by foreign right-wing elements within Belau. The subversion of Belau by these elements can be highlighted by the motive and outcome relating to the shooting of President Haruo Remlik in June 1985.

President Remlik's assassination was a consequence of the Belau Compact, signed between the island and the US in 1979.³ The compact had offered to provide the impoverished island with millions of dollars, but would also have removed Belau's anti-nuclear status and opened the island to the US military.

The compact had to be passed by a referendum requiring 75 percent of the vote - Belau had already been subjected to the effects of nearby US nuclear testing, and not all its citizens perceived the compact as a good thing. It took nearly 20 years and 10 referenda for the compact to be passed - the final referendum succeeded only because the law had

¹ *NBR*, July 7, 1989; *Pacific Island Monthly*, April 1987; *Wellington Pacific Report*, March 1992

² *WPR*, August 1988

³ *PIM*, February 1986, Feb 1988, September 1988. Assistance from Canterbury University political scientist Dr Kate Dewes, PhD.

been changed, dropping the voter approval threshold to 50 percent. The opposition to the compact once led Remlik's successor Lazarus Salii to state: "Anyone opposing the compact deserved to be beck! (Belauan for suffering severe lead poisoning.)"¹

In a world increasingly rich with irony, (depending on whose version you accept) Salii later committed suicide, as the US military pathologist from Guam declared. The local view was that Salii's death was connected with the collapse of the IPESCO hydroelectric power plant project - which, had it succeeded, would have provided the island with greater financial independence. This is also the view of a subsequent investigation of Salii, IPESCO, and the general goings-on in Belau by the boys at the US Government Accounting Office (GAO)².

The GAO is a living example of why you should never fuck with a guy armed with a calculator and a code of ethics. Perhaps this is why (as opposed to the Remlik case) the FBI kept its interference to a minimum. Despite reported pressure from Washington, the GAO was able to uncover a few items of interest:

1. The collapse of the IPESCO power project would cost Belau \$US43 million. In effect, this gave the now-bankrupt people of Belau no choice but to accept the compact. It also led the GAO to raise questions as to whether the constitutional rights of the people of Belau had been eroded by the US government.
2. Sali and several of his right-wing friends, family and fellow ministers (including several with affiliations to the WACL, which the island had hosted a convention for during the mid-1980s) had been the recipients of hundreds of thousands of dollars in bribes from IPESCO officials. The GAO regretted the "gap of knowledge" caused by Salii's death.
3. The primary originator of IPESCO was Gordon Mochrie, an individual who, the GAO noted, "boasted of his CIA connections".
4. The GAO also found leads to allegations of arms dealing, drug running and drug money laundering in Belau, connected to covert operations and intelligence activities carried out against

¹ *PIM*, September 1988

² *Ibid.* Also issue of August 1989

the people of Belau by forces in the employment of the US government.

The GAO's allegations concerning arms dealing, at least, were correct - as demonstrated by the arrest of Camm Sterling by the Australian federal police in April 1987 on concealed weapons charges. Sterling first came to the attention of Australian law enforcement through his disconcerting habit of filming undercover Australian drug squad detectives in the Philippines. A subsequent investigation found that he was running weapons to Belau - the former home of the CIA's sabotage school - for an unknown client, and for unknown purposes he had planned to establish an airline out of Belau.¹

By confusing the Vanuatu and Belau stories, Ostrovsky seems to be playing a funny game in which he borrows, steals, creates, and finally warps material. Yet a large portion of his information has a factual basis. In the spy business, nothing is straightforward - the researcher has to cross-reference, watch for the angles, realise that they're never going to uncover 100 percent of the story, and accept (in a publishing world full of Ostrovskys) that the best you can hope for is to demonstrate the theme. The theme is simple - guns, drugs, and spooks play together, just as they bank together.

That intelligence agencies should be involved in drug dealing is unsurprising, if you concern yourself simply with the scope of some drug organisations. When the BCCI Bank collapsed in 1991 to the tune of \$US20 to \$US150 billion (various figures are given - though its central bank remained intact, and \$US2 billion was repaid), it was found to have bribed senior officials, many of them within diplomatic, military and intelligence circles, in more than 33 countries, including the US and Britain.

BCCI's own well-documented intelligence agency, the Black network, had more than 1200 agents (based on Khashoggi's own private intelligence agency), many of them former professional intelligence officers who carefully retained their ties to their old employers.

The CENTAC programme likewise discovered that organised crime had infiltrated senior government circles in 28 nations, including Australia, the US and Thailand - hub of the Golden Triangle, the eye of the dragon, home to the world's most renowned drug dealer, Lu Hsu-shui. Unsurprisingly, this man - credited, along with three other Thai or

¹ Confidential Australian Federal Police document, obtained by *Wellington Pacific Report*, August 1989

Burmese warlords, with supplying 90 percent of the world's heroin - certainly had influence within his homeland. He was a recipient of Thailand's highest honour, The Order of the White Elephant (bestowed to the opium emperor of Asia on the order of Thailand's king), and his employees have included at least one former Thai Prime Minister.

The influence of the drug dealers in the Thai military is also clear, as the Mr Asia affair testifies. In one deal involving junior member Graeme Lyall Cann, Nugan Hand affiliate George Chatterton (whose name would be found in Marty Johnson's Singapore office), and notorious bent cop Murray Stewart Riley - a client of both Mr Asia's Sydney lawyer John Aston and Nugan Hand - drugs were uplifted directly from a Thai military base.¹ On another occasion the syndicate's consignment of drugs received a police escort.

Documentation concerning the corruption of Thailand, and Indochina in general, by organised crime elements supported by Western intelligence agencies is extensive. *The Second Opium War* by Catherine Lamour and Michael Lamberti (Penguin Books, 1974) is one example, with interviews and affidavits conducted in more than seven countries citing the direct involvement of both the CIA and French intelligence in the drug trade. Despite this accepted fact, the matter is continually ignored, including by Barry Brill, the head of a committee set up by Muldoon to investigate the Mr Asia affair. As Pat Booth reports in his book: "In a clear indication that the committee had not heard all it could, Mr Brill said he was surprised at our suggestion that Thai police were involved..."

For reasons that I am not permitted to raise publicly, I believe Brill should never have been on that Committee and was not qualified to chair it. If Brill wishes to debate the matter publicly with me, I am more than happy to justify my opinion in more detail.

Not long after Brill's surprise came the previously cited case of Philip Christensen, the son-in-law of a Thai general who used his influence with the Thai police to smuggle cannabis to the US via New Zealand. A decade later, the US DEA investigative body CENTAC endorsed the claims of Booth, Lamberti and Robins when its own findings concluded that the drug trade involved the Thai government. It also pointed the

¹ Thailand, whilst being harsh on European drug couriers caught at its airports, seems to have been motivated less by social altruism than protecting its own interests: Thai military involvement in organised drug shipment is so widespread that the Royal Thai Air Force is known in airline circles as "Air Opium".

finger at members of the US intelligence services - a claim it would go on to repeat in Mexico.

CENTAC's Mexican investigation revealed how organised crime had completely infiltrated the Mexican government from top to bottom. This continues today, and commentators have speculated that the phoenix of BCCI may have reestablished itself in Mexico. I find myself also considering Canada as an alternative - yet there are some indications that certainly seem to confirm the infiltration of Mexico's financial world by organised crime.

At the time this book was going to press, in June 1999, the Canadian connection came to the fore again, when police busted a massive heroin trafficking ring operating from Vancouver, on the Pacific seaboard. The operation, which shipped the drug up from Asia, was so large that it could manipulate the price of heroin throughout North America, virtually at will. Investigators say vast quantities of heroin were stockpiled in Canada to limit US supplies and drive up prices.

News reports noted that "Vancouver had become a favourite operational base for international drug smugglers. Authorities said most of the money raised by the group was smuggled back to Asia, and they would investigate if any banks in Hong Kong or other Asian financial centres were involved in laundering the money."¹

In 1996, severe pressure from the US Justice Department and the US Treasury resulted in the arrest of 112 people, the seizure of \$US35 million and charges that 12 of Mexico's 19 largest banks were laundering drug money from Mexican and South American cartels, using, in turn, more than 100 US banks - which all declared their innocence.

The arrests came as US President Bill Clinton (whose third-largest campaign contributor was Jackson Stephens, the man who had introduced BCCI to America) announced that restrictions placed on Mexico, due to its refusal to combat the drug trade, were to be lifted.²

As Wishart reports in *The God Factor*, Bill Clinton set up the Arkansas Development Finance Authority while he was State Governor, to launder US\$100 million a month in cocaine money. Through his association with Stephens, Bill Clinton arranged for the ADFA to bank with BCCI.

In the late 1970s, prior to CENTAC's investigation of Mexico, the US had contributed to the "war on drugs" by providing Mexico with \$155

¹ *The Dominion*, 25 June 1999

² *The Christchurch Press*, May 20, 1998

million and the purchase of more than 70 airplanes flown by pilots from Evergreen Aviation, which was then serviced by E Systems. Evergreen, run by former CIA lawyer Stanley G. Williams (later associated with Southern Air Transport during the Iran-Contra affair) was a former Air America subsidiary; E Systems was owned by a former director of the CIA, with three former CIA officers listed as senior executives. The pilots for this project were, so it transpired, former Air America pilots - veterans of the company during its CIA Laos days, hand-picked by the CIA itself.

In February 1985 US DEA agent Enrique Camarena was captured, tortured and then murdered on the orders of Mexican cartel boss Rafael Caro-Quintero. The day after Camarena's murder, Mexican federal police and US DEA agents raced to arrest Caro-Quintero at a Mexican airport. On their arrival, the DEA agents were thwarted by the Mexican Secret Service (MFJP), who surrounded Caro-Quintero's plane. At this stage the senior federal police commander apologised for delaying Caro-Quintero, shook his hand and, to the enraged disbelief of Camarena's fellow agents, let the killer flee.¹

An entry in US Colonel Oliver North's diary, seized during his indictment for his role in the Iran-Contra affair, reads "0600 RAFAEL QUINTERO - (captured) - known narcotics trafficker - Enrique Camarena". Caro-Quintero was listed as "Secord's agent". He had in fact been a US agent since the 1950s, when the CIA, then under Shackley's command, had first used him as a "Project Mongoose" assassin, and then as an instructor of anti-Communist guerillas in Indochina.

In Mexico, Caro-Quintero had again been employed by the CIA (in between drug dealing) to train and supply Nicaraguan Contra rebels and their US mercenaries. During the 1990s the influence of large-scale Mexican and Colombian traffickers such as Caro-Quintero in the international drug trade has continued to grow (as CENTAC's agents predicted). This was graphically illustrated by the arrest of Casey Jones and Jones' chief money-launderer David McCain.

In July 1990, following a chance remark, New Zealand authorities discovered that Jones was using New Zealand, Tonga and Fiji to ship cannabis to Los Angeles (in an about-face, Mr Asia dealers had considered importing Mexican hashish from San Diego). In a joint Tongan-New Zealand-US operation, Jones and his girlfriend were arrested. Due to the scale of Jones' operation (and the subsequent

¹ *The Underground Empire*, James Mills, Dell 1986

politics of the San Diego and Los Angeles dealers) it was suggested that Jones was connected to organised crime, probably a South American syndicate such as the Cali cocaine cartel. The probability of this picture increases with McCain's death. McCain had escaped during the operation, only to be arrested at the Mexican border. He died shortly afterwards, while awaiting sentencing, at a private residence in Hawaii while under the protective custody of US Marshals, in circumstances that the American authorities have yet to release or explain.¹ In New Zealand a Custom's source would state "I was never comfortable about that case there was something funny about the way it was handled".

The McCain case was not the last time the Cali cartel, or other foreign organised crime elements, would appear in relation to New Zealand criminal activities. Other previous links to New Zealand included the arrest of an American in New Zealand for smuggling hashish, concealed in tins of hand cleaner. In this case, the man's partner turned out to be the chief of police in Trinidad.

Sadly, the enemy within exists in a number of countries. As recently as May 1998 Australian federal police busted a ring smuggling guns and more than eight tonnes of cannabis - the biggest drug seizure of this type in Australia to date. The origins of the yacht used, the *Highlander*, are unknown, but New Zealand Customs speculated Tonga, Thailand, or even New Zealand. The crew included a former Belfast (Christchurch) man and an Auckland, a former Australian. The Auckland was also wanted in Australia on a manslaughter charge - yet while the victim's brother knew of his presence in New Zealand, attempts to have him extradited were allegedly ignored. Australian authorities also refused to serve a warrant on the man after he returned to Australia prior to his arrest - though in fairness to them, this may have been due to a desire, as part of an ongoing investigation, to arrest him for a more serious offence. If so, however, it confirms New Zealand involvement.

In 1991 the corruption within Pacific governments could only be described as rife - a finding echoed later in the *Pacific Island Monthly*, which reported: "The issue was sensitive because some questionable schemes and semi-criminal activities had the support of some heads of government."²

In Tonga, the chief of police told Television New Zealand's *Assignment* programme in 1998, during a report on Tonga's links to the drug trade and government complicity, "to you, it is corruption - to us,

¹ *Pacific Island Monthly*, August 1991

² *PIM*, September 1998

it's a way of life". A year earlier, a report into organised crime said Tongan criminals had forged links with South American drug cartels and Lebanese Sydney syndicates (who are also rumoured to be active in Australia and New Zealand mercenary circles).

Elsewhere, it had been thought that Tongan and Fijian criminals (who also have government leverage) had formed links to Hong Kong triads. Meanwhile, the rapidly expanding Russian Mafia had already made its presence felt in New Zealand via its role as supplier to a thriving black market pistol trade.

Fiji is a natural gateway to the Pacific, and thus, not surprisingly, it has an extensive history of being used as a conduit for drugs and weapons smuggling. Between the mid-1980s and the early 1990s there were more than 45 reported cases of international traffickers using the island (including Casey Jones and the Mr Asia syndicate) - excluding associates of BCCI, who regularly used Fiji as a conduit to Colombia and Manila from Pakistan, according to BCCI's Sami Masri, an agent of the bank's infamous "Black Network".

The history of the Cook Islands again highlights the corrupting influence by powerful outside factions. The nepotism of Sir Tom Davies is rarely argued. It has been more controversially suggested that Sir Tom, a former scientist for the US Defence Department, was no less than a CIA asset. Such accusations result from incidents such as his role in the Maori loans affair, his hiring of people like aviation adviser Dr Laurence Fahey - a former CIA pilot with Air America subsidiary Air Asia (later a subsidiary of E Systems) - or his close relations with CIA front company Bishop Baldwin¹. Sir Tom's replacement Sir Geoffrey Henry, as the Winebox inquiry revealed, seems to be an improvement of only a minute nature.

In consideration, it seems almost natural to find that BCCI also operated a tax haven bank subsidiary in Rarotonga, where the Cooks Islands had called in Goldcorp to launder the stolen loot of Ferdinand Marcos - an affair that, as history relates, directly involved prime BCCI affiliate Adnan Khashoggi (Masri stated: "We moved gold, we moved guns, we moved drugs."). History, to mention in passing, also relates Lange's call for an inquiry into how Justice Department officials and police mishandled the investigation into the collapse of Goldcorp. The Marcos millions, the Winebox inquiry, the RSL scandal, Goldcorp, mishandled law enforcement investigations keep arising with a strange recurrence.

¹ *NZ Monthly Review*, March 1987

In a similar vein, the Solomon Islands can also be used to demonstrate the extent of the activity of major organised crime elements in the South Pacific. Police Commissioner Fred Soaki told a police chiefs' conference held in New Zealand in 1991: "The police have plans to see this kind of dirty money doesn't come (to the Solomons), but the politicians like to have it. They don't care where it comes from."¹ The year before, Solomons opposition leader Andrew Nori had revealed how foreigners (in Eastern Europe) connected to shadowy activities had been bribing government officials to issue them with Solomon Island passports and to make them honorary consuls.² During the same period, New Zealand police intelligence would note with concern that Pacific Island diplomats were entering the country with large sums of cash, far in excess of their possible revenue³. In one case a Samoan diplomat entered New Zealand three times during 1995 carrying large sums of cash, including, on one occasion, \$US52,000.

However, as in the case of the passport scam established by Tonga's Royal Family in the 1970s (via sales to Taiwanese individuals⁴), the source of the islands' woes were not purely mob-oriented - as the case of the false sale of Marshall Islands passports by Australian Gregory Symonds shows⁵ (false Tongan documents would also emerge in the Mr Asia and Casey Jones affairs; gun-running, narcotics dealing, and fraud are unsurprisingly interconnected).

Symonds' 1992 scams, it was later revealed, were undertaken with the assistance of his friend Graham Richardson - then Australia's Minister for Transport in the Labor government. Richardson, the "kingmaker and slayer" of the Labor Party, not only provided the "glowing references" required for Symonds to establish his passport firm, but intervened following Symonds' detention in the Marshall Islands, asking President Amatakabua to release his friend. The president declined, fearing that Symonds' influential friends would ensure that he would never return to the islands to stand trial. Richardson's direct involvement in Symonds' activities came to light when it was revealed that he had made representations to the Australian Embassy in Fiji for a visa to be granted to a Taiwanese man connected with the scam. Following this revelation,

¹ *Evening Post*, October 16, 1991

² *Pacific Island Monthly*, November 1997

³ *PIM*, November 1992

⁴ *Wellington Pacific Report*, December 1991

⁵ *PIM*, June 1992

Richardson resigned before he could be sacked, and in doing so narrowly avoided an inquiry into the matter.

The Royal Australian Navy was also implicated in Pacific sleaze when in 1997 it was discovered that a cabal of sailors, on selected ships, dating back to the seventies, had been running drugs and guns into Australia through Sydney. These were forwarded to motorcycle gangs for distribution (as in the Mr Asia syndicate).

The Bulletin (October 14, 1997) would report: "Briefings from past and ongoing investigations being conducted by that officer were later anonymously faxed to the subject of those investigations". In the end, "five weeks ago, the offices of the NIS (Naval Intelligence Service) were sealed and documents, on paper and computer disk, were seized.... A lot of senior people just don't want this dirty linen aired in public".

The RAN story would later be savagely attacked by the Australian media - the leading critic being the man whose door my desk faced in Sydney. The same names, the same people, and again and again the discovery that such individuals possess associations with the international crime world and/or the community of spooks (either semi-private or government). Repeatedly, scandal breaks out where the events remain the same - the local justice system stalls, lies, or is found to have made excuses to cover for its own failings. That word used by Booth says it all - "recurrence".

The corporate media, operating from works like the AUSTEO report, chooses to focus on the consequences of these affiliations (while remaining tight-lipped on specifics), as opposed to concentrating on their cause. Cases like Richardson and the RAN are very rarely heard of, while the conduct of individuals like Sir Tom Davies and the existence of operations like BCCI in the Pacific are not often raised - not for lack of frequency. The media may mention the involvement of organised crime in the islands, but rarely do they ask the question: what are the more developed countries doing to protect such countries, which, being small in influence, are vulnerable to such destabilising elements? Yet the absolute taboo, never to be mentioned, is that the destabilising influence originates from the agents of developed nations. The truth will remain verboten, despite the evidence, unless we demand our right to ask questions.

CHAPTER FOUR

IT'S A SMALL WORLD AFTER ALL

Drugs, Guns And Dodgy Airlines

“They could never work out how I managed to find the bad guys on exercises so quickly. My method was simple - I always looked for the individual who exerted the most legitimate persona.”- New Zealand Army Intelligence officer (1998)

At 9:00am on June 30, 1987 a subpoena was issued to be served upon a Harvey Misbin to answer questions before a grand jury in San Francisco relating to his role in drug smuggling. The subpoena was never served, as Misbin disappeared prior to the warrant being served. In his place his employees, Howard Rose and Louis Hernandez, in return for immunity from prosecution, implicated the absent aviator as a key drug smuggler for Colombia's Medellin cartel between 1980-86, otherwise known as the Contra era¹⁰.

The public are well acquainted with only a fraction of the Contra saga - we only know about *this* story because the Fat Lady sang. The Fat Lady was a C123 aircraft previously owned by drug smuggler, gun-runner and US Drug Enforcement Administration (DEA) informant Barry Seal. In 1986, now owned by Southern Air Transport, the Fat Lady dropped out of the Nicaraguan skies like a canary set in concrete and into world headlines, after being perforated by several hundred machinegun bullets.

This little opera opens a series of events that would lead to the public hearing how the CIA, with President Ronald Reagan's blessing, was using the profits from illegal arms sales to Iran (while simultaneously supplying Iran's foe Iraq) to covertly arm right-wing guerillas for the purpose of deposing the democratically elected Nicaraguan government. Everyone was shocked, especially the Americans, who still thought Pinochet was a kind of miniature latte, and Chile something you put on hot dogs.

However, even the broad reach of the American government wasn't enough to prevent the President and his administration from successfully ensuring that certain details were not released for public consumption.

A further cause for the lack of testimony concerning this matter is due to the fear instilled by such examples as the fate of Barry Seal.

Seal's information was considered sufficiently credible (before his testimony about the CIA's role in the narcotics trade, in connection to

the Contras' arms supply - centred in Mena, Arkansas at the time of Bill Clinton's governorship) to secure the conviction of several leading members of the Cali cartel¹. However, with Seal's CIA statements, things changed radically. The DEA administrators reneged on a previously negotiated deal, and instead of full immunity from prosecution Seal was sentenced to a halfway house - where, pinned down by the conditions of his parole, he in due course became a sitting duck for the machinegun-wielding salesmen from Amway's Colombian division.

Meanwhile, Harvey Misbin reappeared, choosing New Zealand as his bolt hole. Godzone in 1987 - the place where all is just, state officials have only the public interest at heart, and the sheep don't know how lucky they are. Misbin apparently did.²

One of Misbin's first actions upon arrival was to purchase an incredibly ugly \$800,000 house in Kerikeri. Such a symbol of his sense of security proved accurate, for despite the issue of the San Francisco subpoena, a mandatory FBI vetting check applied to all former US citizens seeking to emigrate to NZ, and (according to TVNZ's *Frontline*) Misbin's name being listed on US Treasury's TECS (Treasury Enforcement Communications System) database as a suspected drug trafficker, he was granted New Zealand citizenship.

The astute reader may have noticed a pattern in recent years: ordinary immigrants with minor convictions, like the Danny Butlers of this world, are targeted for instant removal from our shores. But people with much darker backgrounds are allowed to stay. A personal plea to radio talk show hosts: if you're going to mount an attack on the little people - which may be perfectly justified - go the whole hog and hit the corruption that's allowing the big fish in organised crime to settle here!

Thus, unhindered by US-New Zealand extradition agreements, on November 15, 1988 Misbin went into business with Lou McElwee.

As fate would have it, McElwee's office was in the same building as that of Misbin's immigration consultant Aussie Malcolm - former National minister for immigration, and one of Muldoon's "Honourable Men".

¹ When a bounty was placed on Cali cartel boss Pablo Escobar during President Bush's "War on Drugs", reportedly one-third of the funding for the \$20 million bounty came from funds provided by the Colombian government, one-third from the DEA, and one-third from the rival Medellin cocaine cartel.

²*Frontline*

The questions keep mounting up, such as how did Rob Muldoon - accountant - become Muldoon the financier of dodgy car dealers, Muldoon the Prime Minister, Muldoon the director of the IMF, or Muldoon, the nominal registrar of the Mr Asia front companies?

Why did Muldoon have Davies fired? Was it for revealing the presence of a National MP's brother on a drug boat during his own investigation into high level corruption and heroin trafficking within New Zealand?

Are Muldoon's links (which hacks of that era love to talk about, while perching at their favourite bars, but which they never wrote about) with the famous court of Carmen, Wellington's own link to the famous Les Girls of Sydney, owned by notorious Mr Asia-affiliated Sydney mobster Abe Saffron, during the 1970s, of any significance in this picture?

The BNZ employs Scott-Kemmis, the very man who had helped the famous mercenary/CIA/drug bank Nugan Hand fly in the first place. Why did they do it, when all of this was public knowledge at the time the BNZ appointed him, and one of their own senior share holders had even read the Stewart report which had made the Commission's scornful opinion clear?

And when this happened why did know no one ask 'hey that's a bit odd - what's going on here?'

Where did the billion dollars that BNZ Australia "lost" under Leigh Scott-Kemmis' leadership actually go?

New Zealand society, and particularly its media organisations, tends to suffer massive long-term memory loss.

While the media had a field day with Ross Meurant's exploits¹ as an arms dealer and Russian tax haven banker, they didn't mount any sophisticated investigative journalism of the issue.

The same is true of Hugh Templeton, the 'White Russian' (as some call him due to his Russian born wife). Why when Meurant's involvement became known did Templeton's, much more sophisticated and larger, involvement in this trade remain unannounced by the professional media? It was not as if this information was unknown: the lesser and more 'radical' news briefs such as *Wellington Pacific Report*, and *Wellington Confidential* had three years earlier uncovered this connection.

No one in the corporate press ranks had even remembered it. Why? Because no had done any real investigative research. That was something that our press didn't do any more - besides it was expensive,

¹ To remind readers: Meurant's involvement in Prok was fleeting and, apart from the news value attaching to Meurant, largely inconsequential.

the corporate sponsors wouldn't fork out if it cost too much, and of course it had happened yesterday.

Under this environ it would, of course, have been pointless to wonder how two staunch anti-communists had suddenly developed close links with the Rodina (mother Russia) - Meurant through his banking connections, Templeton through his position as the chairman of the New Zealand Russian Business Association. No one looked for a link, presumably because journalists are becoming too scared to ask questions.

Aussie Malcolm, when questioned by TVNZ's *Frontline*, was unable to explain how Misbin had been granted citizenship in light of his status back in the US. Both gentlemen assured reporter Rod Vaughan that Misbin's past was (mostly) news to them. To demonstrate their sincere shock, Misbin's resignation from Southern World Airlines was accepted post haste.

Misbin, however, showed no signs of wanting to leave New Zealand, and still lives here. He remains of interest to certain individuals within the justice system. Misbin maintains that he is an innocent victim of a conspiracy by US law officials, and has returned to the States (on his new New Zealand passport) to prove his innocence.

According to Misbin, his name-clearing trip proved fruitless, as "no one in authority was apparently interested."¹ Though it might have been because his appearance, flanked by several well-paid lawyers, might have presented the US Justice Department with the kind of headache that they really didn't need. Which justice department, outside of Iran or the Third Reich, would have taken on such a case?

The original subpoena witnesses had since dispersed or were, with the threat of their own prosecution hanging over them, no longer willing to cooperate with the prosecuting parties; evidence may have been lost or destroyed; and officers familiar with the case may have moved on or subsequently resigned from the department. Taking on such a case, against Misbin's harem of lawyers, would simply have amounted to a waste of budget funds. Misbin thus remains innocent until proven guilty.

In case you are wondering about the pedigree of Southern World Airlines, it had business contact with Miami-based Southern Air Transport – a CIA affiliated airline – and discussed leasing aircraft from Southern Air.

¹ *National Business Review*, February 14, 1992

Misbin's share in Southern World Airlines would be taken over by Teldar Paper No 25, a nominee company of investment bankers Case Weston Morgan.

The directors of Teldar Paper No. 25 are listed as Peter Harris and Geoffrey Wilding of Case Weston.¹ Its affiliated subsidiaries include Teldar No 29, later known as the Niue Development Corporation Ltd, whose registered officers are named as Rex William Harris and Sani Lakatani, a "member of legislative assembly"; and Teldar Paper Ltd, whose director is Gordon Robert McCarten.

In 1992, the same year Teldar No 29 was incorporated, Case Weston had been involved in attempting to set up a regular air service between Niue and Auckland after the suspension of Niue Airlines' operating licence (which was awarded to Air Nauru). Case Weston's name also popped up in Australia in connection with an attempt to fly a large number of American visitors to the Far North, in connection with a Los Angeles-based firm called Entertainment Direct. This scheme sounds strangely similar to a plan proposed by Australian CIA fraudster (associated with the \$40M embezzlement of the VNSCA in July 1991) Jonathan Friedrich.²

Misbin's retirement from the company did not matter - despite a long-winded legal process in action at the time of Vaughan's report, Southern World Airlines would shortly be liquidated due to debts of more than ten million dollars in 1992. This was despite Southern World Airlines being, at the time of its opening, in a prime position to control the heavy freight airlift industry for the Pacific region. The title had been up for grabs due to the former holder, the Flying Tigers, withdrawing from the field as a result of being bought out by Federal Post (which, in combination, was buying the rights to service China from Evergreen Aviation, which was itself redesigning its own corporate mission).

By a strange coincidence, the Flying Tigers was the namesake of the colourful band of US mercenary pilots from which the famous CIA airline Air America was born. The Tigers had fought Japan in China prior to World War 2, and later fought the Chinese Communists in the 1950s before been bought out by the CIA (though by this stage the Tigers were known as Civil Aviation Transport). Subsequently, as the CIA's Tigers were flying bloodstock to New Zealand, the airline would simultaneously be flying guns to Tibet and later opium out of Laos.

¹ *The Independent*, October 16, 1992

² *Codename: Iago*, Jonathan Friedrich, Heineman

By a severe extension of serendipity, one of the directors of the modern Flying Tigers had been William G. Stanley, prior to his brief ownership of Evergreen Aviation (following its sale by the agency in the 1970s). Stanley used to be a legal consultant for the CIA, when the CIA owned literally the deeds and titles to a fleet of airlines including Air America, Air Asia, and Evergreen, flying every thing from crop dusters to B-52 bombers.

By another fortunate coincidence, the Tigers' downscaling would result in their former hub of operations - Rickenbacker Airport, Ohio - becoming the new centre of operations for Southern Air Transport, originally owned by William G. Stanley¹. Rickenbacker is certainly a busy place, for it is also extensively used by the British-financed Aeroflot, led by several former senior Soviet military officers in partnership with an unnamed US firm believed to have been one of the US contractors hired under Bush to fly aid missions to Russia.

Back in New Zealand (the country that comedian Peter Cook once said must be a cover for an international drug ring as "no country could possibly be that genuinely boring"), Southern World Airlines was replaced by yet another chap who, despite being wanted by the police of more than four nations (the smallest charge being the embezzlement of \$200,000 in Germany), seems, like Misbin, to have had no problems establishing himself here.

Czech-born (or at least Czech passport-holding) Simon Spitz, aka Simon Lahav, aka Shimon Lahav - described alternatively as a Swiss national, an Israeli, a German Israeli or a Czech Israeli - assisted by Grant Annals and Roger Banks, former managing directors for Southern World, opened Pacific Express in 1991, with Spitz as the primary shareholder.

Pacific Express would attempt the same mission that Southern World had selected - the creation of a major international air freight business based in Auckland. It proved no more successful than its predecessor, however.

Almost as soon as it started operating, it was slapped with a wind-up notice from the Central Airport Sheraton Hotel for costs in excess of \$17,000. This large room service bill was soon accompanied by Charter

¹ By way of strange coincidence, one Stanley G. Williams surfaced at the centre of a pyramid selling scam under investigation by the US Treasury and New Zealand's Serious Fraud Office in 1998. The New Zealand Justice Department was puzzled when a second US agency became involved, which refused to identify itself or the nature of its interest in Stanley G. Williams.

Shipping's bill for \$59,000 in connection to a Pacific Express Australian - Kenya-Somalia-Kenya venture undertaken on behalf of CARE Australia, which somehow involved the Sydney departing aircraft stop in Jakarta to begin with for "purchases" made by Pacific Express in connection to the CARE Australian operation (dubbed as a UN aid relief by the papers).

The debts were quickly sorted out, however, and Pacific Express continued trading for a further year before mismanagement and Spitz's past caught up with the airline, sending it into debt to the tune of \$15 million - of which \$12 million, the Serious Fraud Office would discover, had been embezzled by Spitz before he skipped the country. Chas Sturt in his autobiography would state that "someone had gone to a great deal of trouble to spirit this connected launderer now wanted in five countries out of Israel. I didn't fancy our chances against this type of muscle."

Sturt claims that he received "intelligence" reports that Spitz had been backed by the CIA, and that Spitz, described as a US defence cargo contractor, had been running guns and helicopters for the UN in Angola.

Ian Wishart, in his own probes into Pacific Express, says he found "missiles and guns" were frequently on the cargo schedule.

Following the collapse of Pacific Express, Annals and Banks became involved in yet another air adventure with the creation of a firm called Austral Aviation Ltd, formerly Austral Aviation (1992) Ltd, operating out of Suite 15a, The Strand Building, 125 The Strand, Auckland. This would be the same office used by Global Aviation Logistics Ltd, incorporated in January 1997.

In 1994 a firm of the name Austral Air Limited would be incorporated (who list as their officer a Timothy Andrew Enright) later dubbed Air Queenstown. As with Teldar, this is believed to one of several interconnecting subsidiaries such as Teldar No.27 - formerly United Mortgage Limited (Dissolution liquidators statement filed 31 January 1996) who share if not the same directors the same addresses or vice versa.

But in 1991 all these bastard children were a long way in the future. Pacific Express seemed to be booming, and, despite its initial "teething problems", was enjoying positive coverage from Auckland's "sophisticated" media. The same, however, could not be said of one of its major customers. CARE's own international reputation was at this time the subject of unpleasant gossip, due to a series of persistent rumours tying it to gun running, embezzlement of funds, and bribery. (Nor was CARE's reputation enhanced by the leading role CARE USA

played in lobbying for US military intervention in Somalia, regardless of the praise CARE's Somalia mission received from the US Secretary of State Warren Christopher.)

The gun-running rumour would turn out to be the only event to be hearsay. In 1995, an independent audit into CARE Australia was held by AusAID as the result of a Nine Network *Sunday Program* report into the charity. The report documented how funds raised for aid operations in Bosnia were not spent on trucks as claimed, and how donated rice was used to bribe Kenya's President Daniel Arap Moi. It went on to list a further 35 allegations indicating wrongdoing.

AusAID's own audit did not go so far as to concur with the extreme slant of the Nine programme - that actual criminal motivations were behind the charity's mismanagement of funds. However, it agreed that, at least in Mozambique and the Sudan, CARE Australia had overstated the value of food supplied (thus affecting the contributions it would have received from the UN). CARE was also coming under attack elsewhere, with fraud investigations into the charity in Germany, and the discovery that \$300,000 had been embezzled from CARE accounts following investigations in Canada.¹ At the time of writing Yugoslavia is alleging that detained former Australian army, CARE worker, Steven Spatz and a fellow Australian CARE worker, are in fact intelligence officers using CARE as their covers.

This was not the first time that aid agencies had fallen short of their reputations for being good samaritans. Charities including Oxfam and Corso, amongst others², have all in the past been embroiled in the funding of arms deals. As recently as 1998 a report discovered that leading UK-based charities were investing their funds in munitions firms. This follows concerns that funds provided for the subsidised purchase of butter and other food products in Eastern Europe have been used to purchase small arms which are then sold for profit from the same nations in an article, titled *Butter for Guns*, raising again the spectre of the NZ butter for guns conspiracy theory (for without the sudden appearance of the missing disks it will remain only 'theory') put forward by Paul White before his death.

That aid charities often associated with UN missions should have such a poor reputation would not have surprised New Zealand born UN

¹ *Business Review Weekly*, June 24, 1996

² A senior Army NCO reports of another prominent charity active in New Zealand: "I know for a fact that [name deleted] were involved in the shipment of nuclear parts to both India and Pakistan."

catering contractor, the late David Morris who, until he was gunned down under mysterious circumstances, willingly spoke about the utter nepotism and corruption plaguing the UN's aid effort in Somalia. It is here that it is of interest to cite my interview with Robert McVicker, Morris's managing director, whom I contacted in 1996 while tracing leads connected to a narcotics and arms network that I believed was using Somalia and NZ as transit ports.

McVicker recalled how the New Zealand-born Morris was a Westerner held in high esteem by the proud Somalis, to the point where they would often hold up peace negotiations brokered by the UN (which the Somalis considered arrogant) until he could arrive to adjudicate. In turn, when Morris was kidnapped - not an unusual event in war-torn Somalia - the kidnapping seemed to have been a cordial affair, with the kidnapers (according to Trish Stratford's book *Blood Money*) allowing him to escape long enough for him to conduct some business in Johannesburg.

Suspicious minds may speculate that the kidnapping was in fact a ploy by Morris, designed to get the UN to pay out the considerable sum it owed his catering firm (which was in excess of several million dollars). Strangely, the lawyer representing the Morris clan's dealings with the UN during the ransom negotiations was James Woolsey, the former director of the CIA - a strange choice, considering that previously, after the murder of Morris's eldest son Tyson by Somalian hitmen, Morris, armed with a rocket launcher, had threatened to target the Americans for revenge.

The situation became odder when McVicker explained the circumstances leading to David Morris's own death. Morris was apparently attempting to move into an area that provided port facilities for his company's 1000-tonne ship the *Winston Churchill*.

Stratford states the reason as a fishing venture in which Morris, using an airstrip, would fly fish caught by local fisherman to overseas markets. According to McVicker, "the CIA had marked this area off as their turf". However, this did not appear to worry the hard-nosed Morris, who carried on with (according to Stratford) the approval of the locals. However, at the clinching of the deal he was killed by gunmen who Stratford identifies as Islamic fundamentalists, but who McVicker says belonged to Colonel Jones, a Somali warlord supported by the Americans.

Jones, according to Stratford, was funded by wealthy Islamic elements within Saudi Arabia which were shipping weapons to Somalia via Kenya.

In August 1998 Kenya hit the headlines in what became known as the US Embassy bombing - though in fact it was not the US Embassy that had been subjected to an attack by Islamic fundamentalists, but more significantly, the building next to it - the Co-operate bank.¹

The Co-operate bank deals with all matters relating to Kenya's aid loans and, perhaps more importantly, Kenya's aid repayments. The terrorists responsible for the bombing would turn out to be from the same clan to which Stratford's own wealthy Islamic gunmen belonged; the same factions who, while supplying arms to Somalia, would have undoubtedly been passing some very generous kickbacks in the direction of Kenyan President Daniel Arap Moi (who is said to have embezzled US\$5 billion from his people). It had been this same class of criminal elite to which the Delphis Group had appealed in the early 1990s.²

The Kenyan-based Delphis Group was a former subsidiary of the 'drug bank' BCCI, whose affiliates had included British arms dealer Stephen Tipping, Mark Thatcher's partner (whom Delphis had hoped to use as means of luring Arab investors). During its BCCI days Delphis had played a key role in "missing" IMF, World Bank, and other charity funds (thought to be in excess of hundreds of millions of dollars) lent to Kenya and pilfered by Moi.

A key player in the investigation of this scandal is Transparency International, an anti-laundering watchdog headed by a former senior member of the World Bank's Eastern African offices.³ Mysteriously, Transparency's funding originates from peculiar partners - the Soros Foundation, USAID⁴, the Ford Foundation, and the European Union.

¹ *Time*, 17/8/98, 7/9/98

² *Thatcher's Gold*, Paul Halloran & Mark Hollingsworth

³ *Time*, 13/7/98

⁴ *USAID's links with the CIA are mentioned later in the chapter on the Fiji Coup, and in the books Air America by Christopher Robins and Dangerous Liaison by Andrew and Leslie Cockburn, and in research by former CIA officer Phillip Agee. The involvement of US aid agencies in supporting aid to the Contras was widely documented during the Iran-Contra affair.*

The Ford Foundation is known to have funded the Nazi party before World War 2. Its founder, Henry Ford, was awarded the Order of the Iron Eagle (Germany's highest civilian honour) by Hitler in 1933, the same year that the former corporal was made man of the year by Time magazine, the same year that on 23rd November General Motors signed a document with the Third Reich pledging their loyalty to the cause of Nazi Germany. The foundation would later fund several right-wing symposiums and its association with those

With the exception of the latter, all have an extreme right-wing reputation, and an extensive history of cooperation with Western and/or Israeli intelligence services.

Following the US embassy bombing, Israel was the first country to send help, in the form of Israeli soldiers sent to the site of the Islamic attack.

McVicker and Stratford, when talking of the role that the Islamic/US-backed Somalis played, differ further in that according to McVicker, there was no sign of animosity - thus "David was assassinated out of the blue with no apparent cause". Yet in Stratford's account, while there was no traditional screaming match (which McVicker explains as the ritual prelude to a bloodletting), two Somalis, identified by her as the Islamic "infiltrators" responsible for Morris's death, refused to shake his hand.

McVicker does not actually say he believes the CIA killed Morris, stating rather: "I'm not willing to say the CIA killed David, but I'm not willing to say they didn't." However, McVicker also claimed that Morris's remaining son Aaron possessed documentation implicating the CIA in the murder. Thus it is tempting (perhaps wrongly) to draw such a conclusion.

The peculiarity of the case is heightened in that on the subject of drugs, McVicker candidly mentions: "Oh, they were there, alright, but I never heard any thing specific." In her book (which came out following this interview), Stratford - who was, as she herself writes McVicker's lover - reports on how allegations of Morris's own involvement in the drug trade continued to plague the company.

Stratford's protection of Morris Catering on this and other issues becomes a matter of perspective. Two examples are the company's use of Khmer mercenaries as bodyguards (contacts presumably obtained by Morris Catering while working for the UN in Cambodia), and the discovery of illegally shipped arms in a container belonging to Morris. Morris' position is, as Stratford states, a valid argument - the mercenaries and arms were necessary, considering the UN's refusal to provide protection for Morris's operation.

The trouble is that the other scenario has equal validity. Stratford's vision may have been clouded because of her friendship with Morris, in

of a right wing ideology continues today (in saying that Ford also funnelled money into Lenin's coffers as well. Wherever there's a bang, there's a buck).

that she appears to reject that the bad press focused on the house of Morris may have been justified.

Perhaps there was more to Morris Catering than met the eye. In my opinion she tries admirably to be objective and to show all facets - the good, the bad, and the ugly. However, she also demonstrates the clear warmth she had for a clearly charismatic man, and a remarkable family. My first impressions of McVicker myself is that he is an honest and helpful individual. However, since reading Stratford's book, I remain troubled by several points:

1. Some of Morris's employees were less than savoury, eg. considering gunfights an acceptable means of settling disputes. Drug use within the compound was, by Stratford's own account, common.
2. Morris Catering did engage in the illegal transport of weapons.
3. Morris Catering did use Khmer mercenaries, the beneficiaries of Commonwealth SAS and US Special Forces training.
4. Journalists in three separate countries filed stories citing the Morris connection to the drug trade, with Stratford herself citing Morris's plans to enter the trade in the stimulant plant khat - a decision rejected purely on the basis of not wanting to upset the local Mafia.
5. Stratford further reports that a former pilot dubbed David the "Mr Big of Drugs", while a similar report was spread by yet another Morris employee. Stratford dropped this charge on the basis of the findings of the Kenyan Intelligence Agency (which however appear to have talked directly to these employees (if she did, she doesn't say so), or to have considered the wisdom of accepting the notoriously corrupt KIA, Moi's secret police, as a reliable source. Further, she has not reviewed what degree of self-censorship is present within the Kenyan press, as opposed to the ABC (which refused to retract its story under threat of legal action).
6. Finally, in the event of Morris's "kidnapping", the lawyer was a former CIA director (though Woolsey can be credited with attempting to stop arms being shipped to Bosnia), while

Stratford reports that Morris Catering did in fact have an active relationship with intelligence agencies, providing information to US forces in Somalia and then helping the US to channel funds to the Somalian factions in return for the safe withdrawal of US troops.

Yet even if you were to go east instead of west, the fortunes of Pacific Express would continue to lead back to the centre of Africa's gathering war clouds.

Atlant-SV, a Ukrainian-Russian joint venture company that supplied Ilyushin air freighters for lease, claimed that Pacific Express owed it \$50,000 in unpaid fees. Simon Spitz denied this, saying the contract was not with Pacific Express and Atlant but rather for two Ilyushins that Atlant had sub-leased to a Swiss based firm. Atlant admitted it had signed a lease for at least one of the Ilyushins, not directly with Pacific Express but with an intermediate company belonging to an unnamed Czech in Switzerland. Yet Atlant reasoned that the aircraft, then in Papua New Guinea, was still Pacific Express's responsibility, as the pilots had not been paid by Pacific Express.

Furthermore, the aircraft had been hired to transport helicopters to Cambodia for UN peacekeeping missions on behalf of Pacific Express (acting under contract to CIA affiliate Evergreen Aviation) - thus, Atlant argued, the responsibility was Spitz's. Spitz countered that the stranding was a pretence, allowing Atlant to take on other work. He extended this to allegations that the pilots and/or Atlant had been bribed by Canadian-based SkyLink to nobble Pacific Express's operation - the motive being that SkyLink was involved in "hard-nosed politicking" with Pacific Express's parent contractor Evergreen Operations for choice UN aid contracts. Such bold statements led to Spitz being sued by Skylink for \$12 million (the matter was apparently settled out of court).

Few in the international air freight community had any sympathy for the Israeli. Outside Planet Bombay Hills, Spitz's reputation for ripping others off had led him to be viewed by his peers as akin to something that one scrapes off one's shoe with great haste. His reputation, however, did not stop him obtaining contracts. Pacific Express shipped rhinos to Australia, beeswax from Tunisia, and "coffee" from Jakarta.

It was Spitz's military contracts (which included the British Defence department) that were of the most interest, however. On the legitimate level, he shipped helicopters to El Salvador and Jordan from Australia, while ferrying troops and weapons on behalf of the UN during the Gulf War - obtaining contracts usually reserved for what the *Sunday News*

described sensationally, but nevertheless accurately, as “Air America companies, fronts for the US Central Intelligence Agency”. Spitz’s connections extended beyond the legitimate.

In 1989 Spitz had been involved in a number of front companies or shelf companies centred around a joint Swiss-Russian (represented by an Aeroflot subsidiary) venture dubbed Metro Cargo Air. The venture failed, leading Spitz to flee debtors and criminal prosecutors (as he had in Germany) for Israel¹. Within a year he was repeating his routine yet again in Tel Aviv, dealing in second-hand aircraft. This time Spitz was caught fleeing the country, but under circumstances that have never been fully explained he was released shortly afterwards, ending up in New Zealand.

By yet a stranger twist of fate, Lahav/Spitz’s operation came at the same time as another man using the name Simon Lahav was also running a second-hand air business. This Lahav was in reality Victor Ostrovsky, a former Mossad agent. Although Ostrovsky’s photo on the cover flap of his book *By Way Of Deception* bears a spooky resemblance to the Pacific Express Lahav, there is no evidence suggesting that they are, in fact, one and the same. However, we’ll return to the enigmatic Victor Ostrovsky shortly.

Ari Ben-Menashe, in his book *Profits of War* (Sheridan Square Press, 1992), alleges that guns and aircraft were stored by Mossad in Western Australia at the same time as money from the network was laundered through Australian banks with consent from the Australian government at “a very high level” (Australia’s SBS would uncover that Menashe had in fact met twice with then opposition leader John Howard).

In exchange, Menashe states, he was ordered to pay \$8.5 million to an Australian political party (which he would not name) for turning a blind eye to the shipments. In 1991 SBS asked when this affair had wound up. Menashe laughed, “It’s not finished,” claiming that \$62 million remained in three unnamed Australian banks.² Menashe’s claims of official Australian support are given further credence by former Prime Minister Malcolm Fraser’s³ own role in raising funds for the Contras,

¹ By chance, in 1998 a company named Cargoair (HN842154) began trans-Tasman cargo flights from Hamilton, specialising in flying bloodstock to Australia using Russian Antunovs with Bulgarian crews (18). Like Pacific Express, it was liquidated within a year. The writer is unaware of any connection existing between Cargoair and Metro Cargo Air.

² *Wellington Pacific Report*, December 1991

³ Fraser is currently the President of CARE International.

having been dobbed in by press magnate Conrad Black (during a fight for control of the Fairfax publishing group). Regarding Black's allegations, Fraser admitted: "I was delighted to be asked and to be able to provide that support."¹

In light of Menashe's role in the second-hand aircraft industry, it is interesting to note that the collapse of Metro was brought about by the sudden withdrawal of the Russian aircraft from the venture - caused, according to English newspaper the *European*, by Moscow being "unhappy at the way in which some of the aircraft had allegedly been used to ship parts of low-tech weapons from such places as Brazil for a number of Third World countries in the guise of merchant tools", delivered to countries subject to embargos.

It seems Pacific Express was simply following in the footsteps of Metro, if Eddie McCullen is to be believed. McCullen, a self-described "aviation broker" out to recover debts from Pacific Express for its role in destroying evidence involving the shipment of "water valves" from China to Pakistan, alleged on *Frontline* that Pacific Express had made several trips to Bucharest and Rumania, where it delivered arms to "some fairly fractious parts of Africa - for instance Liberia, perhaps Angola, and maybe Zaire (now the Democratic Republic of the Congo)".

Frontline, citing its own sources within Rumania, said Pacific Express had in fact made three flights from Bucharest to uplift arms manufactured by Romanian arms manufacturer Ron Techna. These weapons were then flown to Angola via Tel Aviv. Likewise, a similar route and purpose lay behind Pacific Express's flight to Monrovia, Liberia in December 1991.

Surprisingly, such revelations caused little excitement, leading Rod Vaughan to comment that "no one in authority seemed too concerned", despite New Zealand's own presence with the UN in Angola. Media attention caused Spitz to leave town, but it would not be the last time his name would be mentioned in connection to airlines, Eastern European weapons, guns, African states, or situations insinuating collusion with the government of a Commonwealth nation.

Nor would it be the first time that, in matters of arms dealing, senior New Zealand authorities would act with indifference, lie, or attempt to have such attention quashed - for in many cases, as we shall see, such authorities had a vested interest in seeing that this trade continue. In Spitz's case, no one was looking for him, and certainly when he caused

¹ *WPR*, November 1991

himself to be uncovered, no one in New Zealand would be seeking his extradition. I asked Rod Vaughan why this was the case, given the considerable sum involved (\$12 Million).

“I don’t know but that’s a very good question” he replied.

Spitz turned up in Bristol, England when on May 5th 1998 TVNZ reported how a British filmmaker Brian Johnson had uncovered and filmed his latest venture, Ocean Airways, delivering Bulgarian weapons to the Congo. This news appeared four weeks after the discovery that mercenary firm Sandline, well-known in the Pacific through its activities in PNG, was shipping troops and Bulgarian arms to the same region.

The Sandline affair was of further significance in that, as a result of an ensuing British Customs and Excise investigation, Sandline furnished documents that indicated that the entire operation had been conducted with the approval of the Foreign Office, and top ministers including foreign office officials Craig Murray and John Everard, Colonel Peter Hicks, defence attache to Sierra Leone, Colonel Andrew Gale, British military adviser to the UN, and Foreign Secretary Robin Cook.¹

The *Guardian* story would implicate not just the British government but would also cite the involvement of fugitive Indian financier Rakesh Saxena (wanted by Thai authorities for allegedly embezzling US\$88 million while acting as a former treasury adviser to the Bangkok Bank of Commerce), who allegedly helped to finance the Sandline deal. Saxena would in turn be linked to Saudi arms dealer Adnan Khashoggi the man who had arranged the US/Israeli sale of weapons to Iran.

John Pilger’s *Hidden Agendas* (Vintage, 1998) further documents Cook’s involvement in dubious arms sales citing the sale of weapons to Indonesia - arms used in East Timor, despite protests by human rights groups despite Cook’s May 1997 election pledge “we shall not permit the sale of arms to regimes that might use them for internal repression or internal aggression”.

In light of Cook’s track record then perhaps it is clear why little interest in Spitz was shown from UK authorities. Though then again, no one at the Serious Fraud Office was in exactly hurry to seek Spitz’s extradition, following his re-emergence in England, despite an existing warrant being out for his arrest.

Again, as in the Misbin case, the two countries had a mutual extradition treaty. It had of course been Sturt himself who had explained why in Spitz’s case this had not matter, and how it had come to be that

¹ *The Guardian Weekly*, May 10, May 17, 1998

the SFO had allowed Misbin to succeed in his crimes. Sturt confesses they were too scared to take action. If this was the reason in the Pacific Express affair, then one must inquire why anyone should believe Sturt's own account of the White (non) investigation?

Hell, the SFO was too scared to take action against a bunch of mild-mannered tax accountants in the Winebox scandal – no wonder the SFO appeared petrified of meeting Mossad or CIA “muscle”.

The relationship between the two countries' security forces, and the nature of the arms industry, was again demonstrated nearly two months later when former M16 agent Richard Tomlinson, a New Zealander, was flying into Auckland after fleeing first England and then France, where he was being chased by agents of the British Security Services. Having arrived in New Zealand Tomlinson was then harassed by officers of both the New Zealand and English Police force who then attempted to prevent Tomlinson from leaving the country.

At the time of writing, Tomlinson had gone underground and become the central figure in an almost comical game in which a press unsure of his exact worth were nevertheless keen to track him down. The press in turn became the focal point for the security services, both local and foreign, who did know Tomlinson's worth and were desperate to ensure that he could be silenced or at least discredited. Meanwhile, the average New Zealander didn't really understand Tomlinson's significance either, but it didn't stop them buying him beers.

Those who have managed to contact Tomlinson were understandably tight-lipped about what he does know, and having left with them possible background information and questions to raise with Tomlinson, I have left him for the moment as their property. However, what is significant is Tomlinson confirming the role of Commonwealth troops in the illicit arms trade, while reporting that he had become aware that the Serbian government was channelling money into Britain's Conservative Party.

His treatment at the hands of his own government also underlines the position of the New Zealand government on this issue as well.

In June this year he was arrested and kicked out of Switzerland, following further discussions with NZ publishing company Howling At The Moon Publishing Ltd. Simultaneously, a major British publishing company associated with Howling At The Moon's 'Tomlinson Project' was visited by British Special Branch police and warned to back away from it.

One of Tomlinson's claims, made before a French judge investigating the death of Diana, Princess of Wales, was that she may have been

murdered by MI6, who'd been practising an assassination technique involving dazzling targeted drivers at night with high intensity light beams, forcing them to crash.

In addition, he said, there was growing pressure to silence Diana from within the British munitions industry, because of her high profile campaign against land mines. Henri Paul, the driver of Diana's car that night, was an MI6 "asset" he said.

It subsequently transpired that \$300,000 had been deposited into Paul's bank account before the accident, which appears to corroborate the suggestion that Paul was on somebody's payroll. This may have been to spy on Diana and Dodi al Fayed – it obviously wasn't a payment designed to induce Henri Paul to commit suicide.

Interestingly, a new book *Gideon's Spies* legal vet alleges Paul was a double agent, feeding information to the Israeli Mossad. The author claims the Israelis were concerned at the possibility of increased Arab influence in Britain if Diana were to marry Dodi, and that Mossad was responsible for their deaths. Personally, I do not believe British intelligence was involved in their deaths, because to carry it out on French soil carried major diplomatic fish-hooks for Britain – primarily MI6 would be beholden, forever and a day, to the French, on pain of being exposed.

It significant to note that Spitz's emergence on the African gun runners circuit had first occurred as journalists were just starting to unearth the Iran-Contra affair in 1986. During this era journalists discovered yet another intelligence linked air service Southern Air Transport had been operating in Angola (as had Sandline), providing logistical support to the CIA's \$15 million covert aid project to bring down the Marxist regime and replace it with their asset Jonas Savimbi, as part of a joint American-Israeli operation (often using mercenaries of a semi-official nature from other allied nations) known within the CIA as KK Mountain.¹

KK Mountain, which for all intents and purposes exists today, was built on the principle of maintaining the whole of Africa as a Western sphere of influence. To this end, in return for granting Western corporations mineral rights, the security services of the Western governments would provide arms and, if needed, training. Too bad if those arms and training were turned on the people of the country concerned. As an example of this relationship, and to provide an idea of

¹ *Dangerous Liaison*, Andrew & Leslie Cockburn, HarperCollins 1992. The index includes an excellent reading list concerning covert US/Israeli operations.

KK Mountain's principles, take the private fleet of Idi Amin - the ruthless dictator of Uganda, who during his reign would kill 150,000 of his citizens before being forced into retirement in Saudi Arabia. The fleet consisted of one Boeing 707, a Lockheed L-100 (the civilian C130, though it was customised for and flew combat missions), and a Gulfstream II private jet. In at least the Lockheed's and the Gulfstream's case, the pilots and service crew were provided by Southern Air Transport (which also customised the L100).

ATASCO Aircraft Trading of Tel Aviv (the future employer of David Kimche, whose name will become significant shortly) provided the aircraft, and the tab was picked up, courtesy of the American and Israeli taxpayers, by the CIA and Mossad.

The CIA had originally been the dominant partner in KK Mountain. However, in 1984 the nature of KK Mountain and all US-Israeli covert operations drastically changed following the US Congress's discovery that the CIA, with President Reagan's approval, was mining Nicaraguan ports - "in violation of international law" as an angry Senator Barry Goldwater (chairman of the Senate intelligence committee) pointed out - in what amounted to an act of war.

Five months later the Boland Act was passed, and the CIA was "out" of the Contra war - a cute thought but, nothing to do with reality.

At a meeting in April 1984, dubbed "a discussion on joint US-Israeli aid projects with the Israelis", American officials met with Israel's US ambassador and Israel's US liaison on Contra affairs David Kimche (the former head of operations in Africa for Mossad), then director-general of Israel's foreign ministry. The pitch was made - America felt that Israel should play a greater role in "defending the free world". The arrangement extended not just to South America, but throughout the "America's interest", be it Africa, Afghanistan, Asia or the Pacific. At a subsequent meeting between the Israeli Embassy in Washington and USAID administrators, Israel formally accepted the deal. To avoid the legislation, the CIA would screw by proxy.

One of the key areas subsequently passed to the Israelis was the supply of weapons. Purposely, the bulk of the weapons originated from the Communist bloc, to be supplied to groups in conflict with Soviet-equipped forces. The logic of the scheme is self-explanatory. A guerilla army using the same equipment as its foe can steal and use that equipment itself. Another, more covert, reason is this: by using the weapons of your opponent, you can implicate that opponent in atrocities, or hostile action against an ally, whilst disguising your own involvement.

Five groups supplied with Soviet weapons, delivered by Israel, paid for by the CIA, included: the Mujahideen in Afghanistan, the Contras in Central America, the UNITA forces (of Jonas Savimbi) in Angola, the Habre forces in Chad, and the MNR forces in Mozambique¹. These were supplied under the guise of humanitarian aid administered by USAID or/and Israeli agricultural aid (“and would sir like a Kalashnikov to go with his tractor?”).²

The procurement of such weapons was not difficult. On one hand, Israel still had friendly associations with Czechoslovakia, which in 1948 had assisted in the creation of an arms network designed to assist Israel’s defence following the British withdrawal from Palestine, where more than 100 Arabic and Islamic factions had sworn to annihilate the new Jewish state. Ironically, during this phase, part of the currency Czechoslovakia would receive from Israel for the arms would include military technology stolen from the US.³

Israel’s involvement in the illicit Eastern European weapons trade also came with the insinuation by “former” Mossad agent Victor Ostrovsky that Simon Lahav/Spitz’s New Zealand-based airline was somehow connected with Mossad.

Maybe Ostrovsky deserves closer attention than I have the resource to provide, because there is one other pertinent point: Ostrovsky’s second book, *The Other Side Of Deception*, published in 1995, refers extensively to the Pacific Express saga in his bibliography, quoting several New Zealand newspaper reports as sources.

Three articles are listed (Graeme Kennedy, *Pacific Express Expands Air Freight Fleet*, *NBR*, Dec 4, 1992; Graeme Kennedy, *Pacific Express Finds Demands for Dirty Work*, *NBR*, April 30, 1993; *Swiss/Metro Freight Carrier Topples, Flight*, July 17, 1991) for Chapter 22.

But, in typical Ostrovsky style, Chapter 22 makes no actual mention of either Simon Lahav or Pacific Express. Instead, it talks in generalities of a “...complex pipeline, since a large proportion of the Mujahideen’s weapons were American-made and were supplied to the Muslim Brotherhood directly from Israel, using as carriers the Bedouin nomads

¹ Documents also list Israel’s role in arming Indonesia during the East Timor massacre. Israel’s role is, however, not unique - Indonesia received financial, technical, logistical and advisory support from Germany, the USA, the UK, Australia, New Zealand, and a number of members of Western countries which saw the genocide of a defenseless people as “defending the free world”.

² *Free Palestine*, Nov/Dec 1987

³ *Ibid*

who roamed the demilitarized zones in Sinai” as part of a destabilisation campaign waged against Egypt by right-wing factions within Mossad (the chapter also talks of the relationship between Mossad and Czech-born media magnate Robert Maxwell).

Key point here: How did Ostrovsky, a world away from New Zealand, know about NZ media reports on Pacific Express? Why did he quote them as sources in his bibliography yet not refer to either Simon Lahav or the airline by name. Most importantly, did Ostrovsky not see any irony in the fact that his own alias had been Simon Lahav, and the head of Pacific Express was named Simon Lahav?

Regardless of whether Ostrovsky and Lahav are the same person, his second book is nonetheless provocative, alleging that Israel had also armed Islamic fundamentalists with Eastern European weapons, via their conflict with the PLO, during the invasion of Lebanon in 1982. In turn various other Israeli - Arab conflicts were in themselves a means of obtaining the Soviet weapons then passed on to Israel’s and America’s proxy terrorists. Both Watergate’s Bob Woodward (a former US naval intelligence officer) and fellow Washington D.C. press heavyweights Leslie and Andrew Cockburn also verified the use of allegedly captured PLO Soviet weapons as a means of arming the allies of the Boland Act-bound CIA.

However, the primary means of securing arms would be through the use of arms merchants like Khashoggi, and Monzer (one variation of the spelling of his Christian name) Al-Kassar - a notorious arms and heroin trafficker involved in the Iran-Contra affair on behalf of Oliver North.

Kassar’s arms firm had offices in Warsaw, Czechoslovakia, and Bucharest in Hungary¹. Al-Kassar was also documented supplying arms to the PLO while author David Yallop cited his partners as no less than Carlos the Jackal the infamous terrorist (thus linking Kassar to the Abu Nidal Organisation, not to be confused with Abu Nidal the terrorist, although as Abu Nidal was also Kassar’s business partner the confusion could be understandable - *Trading in Death*).

The Abu Nidal organisation would in turn be linked to Mossad following the collapse of BCCI, and the subsequent discovery of documents demonstrating how Mossad had paid the terrorist group through the bank’s Sloane St office in London. The majority of these terrorist organisations would never hit any genuine Israeli targets. The

¹ *To The Ends Of The Earth*, David Yallop, Jonathan Cape 1993; *Trading In Death*, James Adams, Pan 1991; *Veil: The Secret Wars Of The CIA*, Bob Woodward.

exception to this rule had been the attempted assassination of Israel Ambassador in London with the attack being cited later as the justification behind the subsequent Invasion of Lebanon. In fact the majority of this trio's (plus the closely affiliated Popular Front for the Liberation of Palestine) more successful attacks would be made against the PLO itself.

Kassar would in turn be linked to terrorism directly via his alleged involvement in the Lockerbie bombing. The largest supporter of this theory is Les Coleman, a former DIA (Defence Intelligence Agency) and DEA agent who claims that he was framed for passport fraud to discredit his version of the affair. Coleman's largest critic is US writer Steven Emerson, a Washington D.C. heavyweight journalist with solid US intelligence sources, and the author of *'Secret Warriors'*. Both writers are excellent at presenting their material in a highly credible way. It is, however, interesting to note that while details in *Secret Warriors* in fact verify parts of what Coleman himself says, Emerson tends to gloss over matters such as the relationship between CIA veteran Richard Secord and Al Kassar. The majority of the English and Scottish investigators concur in part at least with Coleman's claims that the bombing had been carried out not by Libya but by members of the PFLP.

All of which reminds me of an old Arab fable: One day the turtle obliged a scorpion's request to take him across the river Nile. Yet when the duo were half way across the river, without warning the scorpion suddenly stung the turtle. As the turtle's muscles seized up the turtle, in horror, asked "why have you done this, now we will both die?"

The scorpion replied "I'm sorry, my friend, but I am but a creature of the desert and I cannot go against its nature."

Back to the main feature, however, and Soviet weaponry was also secured by further Western intelligence-linked contraband traffickers such as Ostrovsky's alleged enemy Michael Harari who indeed held very close links with Mossad.

Harari had been the former number three man at Mossad (until he assassinated the wrong person) prior to becoming the right-hand man to Panamanian dictator, and CIA asset, Manuel Noriega. Officially Harari was Panama's proconsul to Israel until the American invasion of Panama and their subsequent capture of Noriega. Harari fled back to Israel.

Harari's critics cite him as operating from Panama, flying (with Israeli-US knowledge) heroin into South America, along with guns that were exchanged for cocaine or cocaine base. The heroin and cocaine were

then flown to the US and exchanged for money to be laundered, or the base was flown to Europe in a never-ending circus of death and murder¹.

The pilots of this network were reputedly Israelis, Contra mercenaries, cartel men, or private contractors with strong intelligence links such as Pacific Express and Southern Air Transport who - although not directly owned by the two intelligence services, they were associated with the spies in much the same manner a hangover is associated with alcohol.

On the day that US troops entered Harari's Panama residence in December 1989, at the suggestion of a retired US army officer living next door to the former Mossad agent, they discovered a safe. For reasons never explained, the 400kg safe was left untouched, and it vanished in much the same fashion as the way BCCI Noriega files in DEA custody disappeared. (*Time*, Cockburns).

In a similar fashion the officer selected to handle "the disposition of sensitive material seized from General Noriega would be Col. James Steele, who had played an intimate part in the covert operations to support the Contras."

Continuing this line of allegation, the Cockburns quote Oliver North's private notes (tabled during the Iran Contra congressional hearing in 1987) which state "(Deleted) plans to seize all...when supermarket comes to a bad end. \$14 M[illion] to finance came from drugs".

Reference to the "Supermarket" referred to a warehouse in the side streets of Honduras where "Eastern Bloc weapons stacked to the ceiling.." By spring of 1988, at the time of the investigation, there

¹ In turn allegations of the involvement of Mossad in the drug trade were also claimed by the former Mossad agent Ben-Menashe. The Cockburns would document that at the least the Israeli/US contra arms network had used the very "same pilots, the same planes, the same airstrips, the same people" as used by the drug traffickers.

Another to make that accusation is former US Green Beret and Special Forces commander, Lt. Colonel James 'Bo' Gritz. Gritz claims firsthand knowledge of the operation, saying it was stitched up between Harari, Noriega and the CIA. Les Coleman also alleges that the DEA held nefarious links to Harari's 'former' employers in Lebanon. The use of the same logistics resources as the drug dealers led US Congressional investigators to ask Jose' Bandon former head of Noriega's political intelligence (turned US Federal witness) whether the CIA had been aware of the dark side of Harari's business. Bandon replied that "since 1980, Israel and the United States have supplied arms in Central America, and the relationship between Israel and the US in terms of those things - I don't believe that the United States didn't know about those things."

remained millions of dollars worth of weapons “still sealed in their crates” write the Cockburns. The fate of these weapons is unknown, but undoubtedly at some stage or another this lethal commodity has been returned to the market place for circulation.

A further Australasian/Israeli connection to the drug trade was brought to my attention in 1996, when I was informed that Australian federal police were knee-deep in a major investigation into a Sydney-based Israeli ecstasy/heroin syndicate.

Later, in January 1998, I discovered via yet another report from private sources that at this same time Ecstasy was being distributed from Japan through an Israeli cartel, said to be operating in connection with the Ecstasy manufacturers - a Yakuza syndicate located in Northern Japan.

This second source claimed the Yakuza/Israeli tie became known with the stabbing of a well known New Zealand rugby player. The attack apparently led to friction between New Zealanders staying in the region and this clan of Israeli. If such an attack occurred it's news to me.

Yet, in May 1999, a brand of Ecstasy bearing the Mitsubishi diamond logo appeared in Christchurch, believed to have originated in Japan. The brand quickly became unpopular, because of the unpleasant side effects of this particular batch. This brand is the same variety, according to Customs, that former athlete Simon Poelman was found with. Poelman's supply had come from Amsterdam, but may have been manufactured in Asia. They don't know for sure.

Confirmation of an Israeli drug connection finally arrived with the seizure of \$A5 million worth of Ecstasy in a raid by Customs and police in Sydney. This followed the seizure of \$A400 million worth of heroin on a beach north of the city. An Israeli national and a South African “coffee” importer were arrested in connection to the Ecstasy raid, which netted the second-largest haul of its kind in Australia (*The Press*, October 23, 1998), in trend with the escalating quantity of narcotics flowing into Australasia.

In June 1999, New Zealand authorities arrested two men in Wellington, described as “South African security officers”, in connection with the seizure of Ecstasy, packaged as a light-blue paper tab. South Africa is also believed to be the source of a particularly nasty narcotic, DMX, currently doing the rounds in NZ.

The two were in fact former South African police officers, believed to be carrying out an initial run. What was not reported in the paper was that the arrest also involved a member of the Highway 61 gang. The question for Customs is: how did two South African security goons manage to get introduced to NZ's criminal fraternity in the first place?

Another source intimately involved in arranging a \$500,000 narcotic deal alleges that the NZ Ecstasy now arrives via Australia (thus replacing the more pure European Ecstasy which until recently dominated NZ Ecstasy supplies) entering NZ by commercial air flights.

From this point it is, according to my source, distributed via agents working for the Auckland gang formerly known as the Headhunters, now calling themselves the 'Mob' who are also alleged to control Central Auckland's sex industry (from the connection of certain accountancy firms, and in turn their connections to NZ based gangs involved, I find this a plausible allegation).

Ian Wishart, in *The Paradise Conspiracy*, details the involvement of two men linked to the Headhunters – one a prominent businessman and the other best described as brute force – who were allegedly paid \$75,000 to help knock off Paul White. Both men were also involved in the laundering of drug money, according to Auckland police.

In light of the gang's links to White's suspected homicide and their ties to certain strip clubs, the sad story of Leah Stephens (which again had narcotic overtones), the gangland link to Maori activist Murray Renata's slaying. Other sources alleged that a certain 'suicide' that occurred in Waikato in 1998 was in fact yet another Headhunters slaying connected to the loss of \$500,000 worth of LSD, Ecstasy, and Marijuana earlier that year.

According to yet another separate source the above deal was not a singular affair but part of a ring that dealt in bulk sales as described by the original source. The same source would allege that Australian - NZ flights were made possible by the Mob having an inside man working within Customs. Such claims are not impossible, given that in 1987 "...a senior policeman was found to be passing on information from the (Wanganui computer) to an Auckland drug ring", according to *Consumer* magazine, Issue #276.

The 'Mob's' involvement in the Ecstasy trade also reared its head in the 1999 trial of Kim Van Lent who, with several others, was busted in New Zealand's biggest-ever E-sting. Interestingly, Trent Beetham, the son of former political leader Bruce Beetham, was named by prosecutors in Van Lent's High Court trial as another major drug dealer, but he was not charged. Despite this, Trent Beetham's involvement gave the secret police sting its name: Operation Polotik.

Metro magazine journalist Tim Wilson wrote "Van Lent must be one of the few people to have been invited to both Les Mills *and* the Headhunters Christmas Party."

In this case the ring used both European and Australian Ecstasy, while using American banks like Chase Manhattan to launder the drug money.

The scale of drug trafficking within New Zealand is phenomenal. One veteran Customs officer reports “we’re rushed off our feet. I’ve never seen anything like it in my entire career.”

But while Australasia finds itself awash in white powder and pills, it’s a gun glut creating drama elsewhere.

Following the collapse of the Soviet Union, Eastern European weapons flooded the market with an AK47 reportedly going for as low as eight US dollars in some Asian countries. This flood however led in turn to an arms race which eventually ensured that the price of weapons increased. There were profits for everyone.

Malaysia spent, in 1994 alone, US\$450 million on former Soviet jetfighters. Indonesia, interestingly, purchased most of Eastern Germany’s landing barges alongside 39 of its warships (plus four Swedish submarines from the Netherlands) according to *The Guardian Weekly* of 19 June, 1994.

The scale of the industry is best summed up by the English *Sunday Times* (27 March) which reported the “loss” of 81,000 tonnes of munition from the East German army during the Soviet Unions withdrawal from the former Soviet bloc nation.

“The missing bullets, grenades, and artillery rounds would fill 4000 railway wagons, and are still at large.”

Ammunition which, in all probability, Southern Air Transport and its cousins would have shipped in accordance with the motto of their breed, ‘anywhere, anytime, anyplace’.

In 1991, Southern Air Transport would again surface into the public eye, in a place called New Zealand in connection with the training of New Zealand Airforce pilots. At that time Pacific Express could be found dropping Eastern European weapons into Angola (and other impoverished African nations), Somalia was becoming a household name, and Bosnia was just starting to enter the public consciousness.

On January 21, 1991 a Hugh Barlow article appeared in both the *New Zealand Times* and the *Dominion* (provided to me courtesy of Barlow). The article revealed how Southern Air had been selected to train RNZAF C130 Hercules pilots at Southern Air training centres in Marietta, Georgia, under an arrangement made in the late 1980s, “well before the change of government”, at the height of Reagan’s fiasco in South America.

The report showed air force spokeswoman Flight Lieutenant Diana Hales attempting to dig her way out of a deep hole with a plastic spade:

she was quoted saying there was no evidence that this was the same Southern Air connected to the CIA. Edward Harrison of Southern Air confirmed otherwise, naturally, although he claimed the CIA connections (last reported as having existed only three years earlier) were “ancient history”.

The selection of Southern Air Transport led John Kelly, an independent US television producer and a specialist in CIA activities, to state: “The connection is beyond a doubt - it is a matter of public record. It is by far the most well-known CIA airline”. Well, second only perhaps to good ol’ Air America.

Likewise, fellow CIA tracker Louis Wolf added: “It is quite amazing that of all the people to choose, they (the RNZAF) chose Southern Air.”

Defence Minister Peter Tapsell also showed surprise, but belittled the airline’s CIA connections, saying: “As minister, I, like any minister, would be expected to be informed if there is anything unusual or likely to cause political problems”, but he doubted if the CIA connection “would be of any significance”.

Air Commodore Ken Gayfer chose to adopt a “no comment” approach - and nearly pulled it off, stating he “did not know whether defence staff involved with the contract knew of the Southern Air connection”. Gayfer, however, lost it in a moment of panic, beating a hasty retreat and leaving a strong scent of fear. “Regardless, links with the CIA were irrelevant when sending staff to a commercial flight centre,” he said.

Yet by examining Southern Air’s clients, which included the air forces of Israel, Colombia and Pakistan (which was documented as providing military escorts to drug traffickers connected to the BCCI network, whose clients included former CIA asset Noriega, one of Southern Air Transport’s major customers), it is clear that the airline’s training services extend to more than commercial purposes. Strangely, all these countries had been (or would be within 12 months) involved in secret arms pipelines heavily connected to both US and Israeli intelligence.

In 1991 the probability that Louis Wolf was correct when he described the airline’s New Zealand air force connections as “fishy” increased in that the “training” coincided with the arrival of Bob Mills (whose presence was also uncovered by Hugh Barlow), the First Secretary at the US Embassy in Wellington. Mills has been documented by peace activists, open information activists and former CIA agents as a CIA officer for more than 15 years. He was first tagged as CIA while stationed in Thailand during the height of the Indochina conflict, then again in Indonesia as the West backed the rise of Suharto on a pedestal of blood. Mills then transferred to the US embassy in Russia at the

height of the Cold War, prior to a posting in Afghanistan (allegedly as the CIA station chief) when the country was in the midst of a violent civil war (Afghanistan's resistance force was being armed by the CIA, operating out of Pakistan in what has been documented as the largest CIA station outside America).

Mills then moved to New Zealand. At the time of his appointment, peace activist Owen Wilkes told Barlow "it's hard to imagine what he's doing if anything".¹

It's 1991. A conflict that would leave thousands dead is under way in PNG, threatening regional stability.

The Serious Fraud Office undertakes, at dinosaur speed (and remember it was Chas Sturt who told us why) its first steps into investigating Pacific Express, a company with strong ties to Eastern European arms dealers, and apparent connections to the Israeli - American intelligence community, as well as the British Defence Department.

Ross Meurant, Russian tax haven director, is caught hurriedly attempting to buy surplus weapons from the Defence Department - approaching the department before the notice to tender the weapons had become public knowledge. The weapons go instead to a number of companies, including Century Arms - a firm with strong US Defence Department links (explored later in Bougainville chapter), other firms later implicated in black market weapons trading. (Wilkes himself indicated his belief that these surplus weapons were being funnelled by such firms into Yugoslavia.)

Bob Mills, a senior CIA agent, arrives in New Zealand, just as the RNZAF undertakes training by an airline which is a CIA front specialising in covert arms deliveries.

It is 1998. I review the history, and my imagination finds plenty of things for Mills to do.

Mills was a man whose career could be tracked via geography and time as being at the center of major covert arms airlifts, Spitz was a man who specialised in the covert shipping of weapons, and Meurant was a man stupid enough, in my view, to get himself involved in the murk of the arms world - but wait - it gets better.

If by now I have convinced all the accountants and bean counters to chuck this book across the room in disgust, screaming "Stop, my head hurts", now comes the point where I truly stick it to anyone with the rationale of your garden variety economist.

¹ *PeaceLink*, June 1994

In 1994 while telling stories to a group of friends centred around my own military training at Waiouru military camp during the dispatch of New Zealand UN troops to Bosnia, I was halfway through explaining the eeriness of hearing tanks on their way to an actual war when I was rudely interrupted by individual at the same table, an in-law of an Indonesian general and diplomat - "You realise New Zealand is involved in smuggling weapons to Bosnia".

I didn't believe him, but nevertheless he continued his tale to a disbelieving audience where he claimed that there had existed a secret weapons pipeline by which Muslim nations such as Indonesia, Saudi Arabia, Pakistan and Malaysia were purchasing weapons from Israeli and US arms dealers, which were then supplied to the Bosnian Muslim forces. Later on having recalled an earlier conversation with a friend who had visited Croatia, I found myself considering what he had said.

One afternoon over beers at the Dux De Lux in Christchurch, Chris Gourlie, a former Mormon missionary turned cynic, had explained how he had been hired to tear down bombed-out buildings in the war-torn country. Through this experience and that of a mutual friend, who had gone on to become a mercenary, Chris found the possibility that UN soldiers were involved in corruption highly feasible. Though not having directly witnessed such practices, he told stories collected from locals who had nothing but scorn for the UN, which they accused of black marketeering and organised prostitution.

A year later, while in Australia, I met a number of individuals, with relatives in both Serbia and Croatia, who would also implicate the UN in drug smuggling. Representatives of the rival factions would tell the same tales.

Soldiers representing the peace mission were, so the reports continued, using the former Yugoslavia to run drugs from East to West. Ukrainian and Turkish UN representatives would bring in heroin from the Caucasus, which was then uplifted by US 'peacekeepers' and members of the French Foreign Legion (very much a right-wing faction with ties to both the terrorist organisation the OAS and European Neo-Nazi movement) serving in Bosnia at this time. A third of the Foreign Legionnaires were said at this time to be of Serbian Croatian extract (from *The French Foreign Legion* by Tony Gearty).

In August 1995 the Italian magazine *Colours* reported that Croatian soldiers were being encouraged to use heroin, as soldiers on drugs found it easier to kill. One soldier even claimed to have picked up his daily fix at the Croatian army field hospital, staffed partly by US UN

peacekeepers from V-Corp, who had also been active in Bosnia and Somalia.

By coincidence, in February 1993, Major-General Jarret J. Robertson and Colonels William J. Densberger and Robert Kelly, the respective chiefs of operations and intelligence for V-Corps, died when their helicopter crashed in Wiesenbad, Germany as a result of undetermined causes.¹

The French Foreign Legion has had a long history of associations with crime and ultra-right politics - which is unsurprising, given the nature of some of its recruits.

These 'urban myths', told by people who had been there, were in turn supported by press clippings originating from the Italian media that indicted US units then in Croatia, and US naval forces serving the UN mission, as being involved in the heroin trafficking. Similar brief clippings and soundbites, leaked primarily from the British and French circle, added to the evidence of a guns and drug pipeline existing.²

Thus, in December 1995, when I filed a piece I had been commissioned to write on Western intelligence's role in creating the myth of Islamic fundamentalism and its relation to fascist organisations with neo-Nazi ideology (*A State of Terror, Nexus*, February-March 1996), I cited the existence of such an arms pipeline and New Zealand's possible connections to such activities.

Arms donated legally by such countries to the Bosnian arms mission (following the uplifting of the arms embargo, when the US took over the role of peacekeeping from the UN) included 840 AT-4 light anti-tank weapons, 80 M-113A2 armoured personnel carriers equipped with machineguns and ammunition, 45 M-60A3 battle tanks equipped with machineguns and ammunition, 116 M114 155mm howitzers, 24 10kW generators, 15 UH-1H helicopters, JANUS and BBS computer hardware and software (in all probability equipped with PROMIS at no extra

¹ In Ian Wishart's latest book, *The God Factor*, the deaths of the three V-Corp commanders are linked to around 70 other mysterious deaths or murders involving the Clinton administration.

² *Reuters*, June 3 1996. This relates to the Vatican Bank, money and arms laundering, and Russian ultra-nationalist Vladimir Zhirinovskiy. Both the bank and Vlad have strong ties to organised crime and the intelligence agencies: the Vatican Bank through the Neo Nazi P2 group detailed by David Yallop and others, and the Russian via his known involvement with former KGB and current Russian Mafioso. *Reuters*, May 31 1996, reports the arrest of 21 US servicemen in connection with cocaine and heroin trafficking from Turkey and Africa to Western Europe.

charge), 1000 M-60 machineguns, 732 AN/PRC -126 hand-held radios with batteries, 46,100 M-16 rifles, 4100 tactical telephones and 400 sets of binoculars.

A month after the *Nexus* article I wrote hit US newsstands, the *Los Angeles Times*, on April 1, 1996, led with the story of the existence of a covert arms network, sponsored by the Clinton administration, aimed at arming the Bosnian Muslims and their Croatian allies (who, for their assistance in the pipeline, received a 30 percent cut of the profits).

The story reported how the Clinton administration had “encouraged” Bosnia’s Muslim allies, including Iran, to provide weapons to Bosnia without informing Congress of this particular line of policy. The administration, when faced with the evidence, maintained that it had not been involved - it had simply given “the green light” for such activities to occur (despite a UN-implemented arms embargo on the region), with the actual parties running the network being Croatia, Saudi Arabia, Turkey, Indonesia, Pakistan, Malaysia, Iran and Israel. In other words, every country bar the wild cards New Zealand and Iran, listed by my Indonesian Defence Force-associated source.

My source, however, had not definitively cited Iran with my story, stating “and possibly Iran” on the basis that, having known the history of the parties involved, and that Iranian military advisers were known to be in Bosnia at this time, it made sense to include them - a decision which was later proven to be correct. Only New Zealand was missing from the list of countries that were officially accepted as having been involved by the main news networks.

In November 1997 the Center for Defence Information filed on its website (E-mail: info@cdi.org, <http://www.cdi.org>) *Soldiers of Fortune Ltd* by David Isenberg, one of the centre’s senior research analysts. The report documents how the Pentagon referred the Croatian minister of defence to Military Professional Resource Incorporated (MPRI) when Croatia found itself in need of military trainers. MPRI is the leading corporate mercenary company - its board of directors includes no fewer than 13 retired US military generals (at least two are former Joint Chiefs of Staff officers), and its staff includes more than 2000 former US military officers, with close ties to both the US Defence Department and the State Department. Indeed, MPRI’s clients included the Department of State, the office of the Secretary of Defence, the Office of the Joint Chiefs of Staff and more than 10 senior US Defence Department offices.

In 1996 it undertook a \$50 million contract to do the same for the Bosnian Federation armed forces, as part of a massive armaments programme donated by a number of countries. Although the total

amount of aid is not known, it is known that the US provided over \$98 million worth of surplus weaponry, while Brunei, Kuwait, the United Arab Emirates were also donors alongside Saudi Arabia and Malaysia, and other undisclosed Islamic countries provided a further \$140 million. Note the reference to Kuwait, UAE, and Brunei. Their involvement, like New Zealand's, had also been left out of the mainstream papers.

Six days after the story broke, James Lewek, one of the key people involved in the CIA's investigation into this network - by logic of his position as chief of the agency's Baltic Task Force and the senior analyst of the daily presidential intelligence brief, was killed when his plane crashed in Croatia.

The crash also killed Secretary of Commerce Ron Brown (who was at the time under investigation by no less than five US law enforcement offices) and 33 others. Many insist it was an obvious act of sabotage. Subsequently, South African radio reported an attempted assassination of Brown's business partner Tommy Boggs on the same day as the accident, while journalists documented how, while attempting to find news of the plane's fate, a US colonel at the Croatian airport issued press representatives with four different stories simultaneously concerning the plane's fate.

The crash was also the first time that Pratt and Whitney was not called on to investigate an air accident involving a US military aircraft on friendly soil. The matter was full of such oddities and reeks of a cover-up.

In an incredible turn of events, but one that stresses the complexity of the intelligence industry, the original revelation of the Bosnian network came when no less than Morris' lawyer James Woolsey (erroneously called Robert Mosley in Stratford's book) took the findings of the CIA's investigation into what the agency felt was an illegal arms operation being run by the CIA's rivals the NSA, the State Department, and the National Security Council, directly to the President.¹ Woolsey's action may have been inspired by his reputation as a straight shooter, or by the rivalry between the CIA and the NSA. The answer to that question is one for fools, and angels, to expound.

Regardless of motive, Woolsey's actions did not result in "Bosniagate" - the subsequent Congressional inquiry, stacked with Clinton allies, cleared the administration. Yet the finding of "no wrongdoing" did not satisfy everyone. One unnamed US government source cited in the *LA*

¹ *Sydney Morning Herald*, July 29, 1995 and November 9, 1996.

Times story (and in its context, probably a CIA officer) said “the situation is reminiscent of the Iran-Contra hearing”.

The likelihood of the operation being illegal, despite Clinton’s rejection of the CIA’s own evidence (which included satellite photos), was given a boost by an article believed to have been leaked by British or French intelligence noting how planes suspected of supplying the arms had flown into Bosnia with US NATO fighter escorts.

In turn, the *Washington Post* of July 29th reported further material indicating that the Clinton administration did more than just “give the green light”. In the *Post* piece, France and Britain accused the US of directly supplying the Bosnians with American weapons in an attempt to sabotage the UN peacekeeping mission. This would allow the US to then dominate the Bosnian mission, with 23,000 US soldiers replacing UN peacekeepers.

The criticism sparked by Clinton’s decision to advocate the lifting of the UN arms embargo on July 28th, must be seen in light of US policy, which advocates NATO’s expansion radically eastwards - a policy unpopular with the pro-Serbian ruling Socialists in France, the then ruling Conservatives in England, and pre-IMF-bound Russia (the IMF-bound Russia still doesn’t like the concept, but has no choice). These countries were old school supporters of the “don’t rock the boat” formula, which advocated stability by a balance of power based upon a tripartism like those enjoyed in the days when Germany consisted of a lot of little territories ruled by Bavaria and its rival Prussia.

However, England and France were far from playing Queensbury rules themselves, according to Justice Marcus Einfield, the Australian UN High Commissioner on Refugees. He told reporters in 1996 that the five UN Security Council members were responsible for 85 percent of the weapons reaching the conflict despite the UN embargo. Einfield would also accuse Sweden, Switzerland and Israel of breaching the embargo. Marcus warned that rather than there being a genuine UN peacekeeping mission, the reality was “mass murder ... it is genocide and wholesale displacement of countless innocent and defenceless people”.

But it wasn’t just in Europe that those ethics were introducing wholesale slaughter. In 1991, the year Bob Mills took up residence in the US Embassy, *Wellington Pacific Report* recorded (on the basis of US Information Service data) how Southern Air Transport could also be found flying helicopters into PNG - nearly a year ahead of news reports tracking the removal of helicopters belonging to Southern Air’s closely affiliated sister company Evergreen by Auckland-based Pacific Express.

Evidence linking such firms to the actual PNG conflict surfaced when it was discovered that helicopters from Australia's Victoria National Safety Council, an organisation associated to the CIA, ASIO, and arms dealers Parachute Safety Ltd, had been used to ferry PNG troops to the conflict in Bougainville.¹

VNSCA was initially funded by the ANZ Bank, Nugan Hand-style, with the loan been authorised by Bruce Pointing, a former officer in Army intelligence. It later collapsed due to the corruption of Jonathan Friedrich, a confessed CIA agent (though more likely a con-man used as a CIA asset).

The news of VNSCA involvement in PNG would come on top of the news that "retired" RAAF and RNZAF pilots were being hired by Western corporations to fly missions on the war-torn island.

Also active in PNG at this time was the Summer Institute of Linguistics Jungle Aviation and Radio Service (SIL-JAARS) - a Christian missionary service which, with the financial support of USAID, was what *Wellington Pacific Report* cites "as one of the biggest aircraft operators in PNG", with a history of US defence forces and US intelligence ties dating back to 1953 (though it is apparently not a front).

According to one source - a Territorial NCO in army intelligence whom I talked with during Exercise Ivanhoe '91 - such "retired" pilots were more often than not head-hunted to work in Papua New Guinea, having been asked to retire from the military by recruitment firms with semi-official origins. Their wages inevitably originated from big business, and the pilots were doing more than just shipping cargo. (Note: in this case it was my source's civilian occupation not his military occupation that placed him as being in the position to know)

This sort of practice was confirmed shortly afterwards as being correct by a "troubleshooter" for an American Oils subsidiary, referred to in Chapter 2 in connection with Air America's drug trafficking links.

CASPER likewise confirmed elements of this system, saying NZ troops were active in PNG with the knowledge of New Zealand officials (but not the New Zealand Government).

Elsewhere, I have heard of this "soldiering by proxy" format being used in the attempted recruitment of a former air force officer (not a pilot), who was approached, but declined the opportunity.

Further endorsement of the role of New Zealand in the dirty bush wars of PNG was provided the same year by none other than Ross Meurant, in defending his involvement as a mercenary (ie., one who receives

¹ *Codename: Iago*, Jonathan Friedrich

payment to undertake or arrange military assistance on behalf of a foreign power) paymaster and arms dealer. Meurant stated: “The significant point here is that my contacts are with incumbent bonafide regimes [such as Iran], which is more than can be said for the involvement of some New Zealanders in Bougainville.”

Indeed cases came to light involving the use of such former military types in helping to dispose of the corpses of victims of illegal Idi Amin-style torture and executions by the PNG-DF (the role of Australia and New Zealand military forces in PNG, and their links to the PNGDF, is discussed further later in this book). Similar reports were cited concerning the use of helicopter gunships against civilians.

Significantly these reports, of attacks by helicopters on civilians in PNG, began *prior* to Australia yielding to pressure and delivering four gunships to the Port Moresby government on the condition (later found to have been broken) that the craft not be used in their primary role, ie. as gunships. The PNGDF had few craft of its own - thus the culprits can be none other than the aircraft, and pilots, cited above. In at least one case, according to media releases at this time, a former RNZAF pilot had indeed been employed on combat duties.

Yet the wounding of Palmerston North pilot Ellen Schmidt in a mercenary shoot-out in El Salvador in 1984 highlighted an even earlier New Zealand role. Schmidt, so the late Toby Truell, editor of the intelligence brief *Wellington Confidential*, reported in May 1985, was one of a number of New Zealanders recruited for the Reagan wars in Central America, along with “The Captain” (a former RNZAF man) and “the Major” (an ex-NZ Army gunner) - connected, along with others, to the magazine *Soldier of Fortune*, which the CIA was then using via General John Singlaub.

Interestingly, a brief investigation of Palmerston North company records reveals a surprisingly large security community within Palmerston North, concentrating around Broadway Avenue. This circle remains active today.

And speaking of security firms, have you noticed how many security firms have links with Israel? More than one NZ-based company has Israeli shareholders (ex-Mossad, if there’s such a thing as an ‘ex’ intel agent) and the Israelis are also involved in the introduction of electronic ankle-bracelets for home-detained prisoners in NZ.

There is no doubt that at this time a strong element exists within the US military who were keen advocates of the Orwellian world that Reagan’s privileged few advocated. The question remains within New Zealand: to what degree would New Zealand’s own security forces have

reacted towards a “1984” scenario, such as Oliver North’s detailed plan for the declaration of martial law with the assistance of the Possecomatus - a large Neo-Nazi militia associated with the ultra right wing Ayran nation.

In principle, could New Zealanders be sure that officers of the Crown would remain as servants of the public’s interest and protectors of national sovereignty, and not a major force that could one day be used to implement martial law? Would sleeping dogs always lie?

The lessons from history are plain. People do unspeakable things to other people militarily, not because each individual in an army is inherently evil, but because they justify a certain cause of action to themselves as “necessary for the greater good”. Genocide can’t take place without mob behaviour, and when forces are unleashed in a community, things happen that otherwise wouldn’t.

The New Zealand Government is already arming itself with draconian powers to stop and detain citizens, using road safety as the justification. So police officers will soon get used to their new powers. And the public will get used to it.

When the revolution eventually comes, it won’t happen overnight. And when it eventually comes, the majority of New Zealanders will have been conditioned to welcome it.

New Zealand’s involvement in the Fiji crisis of 1987 would do little to placate those who already harboured doubts about the allegiance of the military top brass.

‘Isildur’s People’

*Not all Conspiracies are dark,
Some are Golden,
though they walk softly, softly, they walk in light
so shh sleep tight, sleep warm, no tears
As we rest they watch when we cannot.*

In memory of Koa Wilkes whom I never met but I wish I had, and for Aung San Suu Kyi truly one of Isildur’s finest people.

CHAPTER FIVE SLEEPING DOGS DO LIE

*Because it's murder by numbers, 1-2-3
It's as easy to learn as your ABC
You can join the ranks of the illustrious
in history's great dark hall of fame
All our greatest killers were industrialists
- at least all the ones we know by name.*

“Murder by Numbers”, from “Synchronicity” by The Police (A&M Records, 1983)

Once upon a time there was a film. The landmark 1977 New Zealand movie *Sleeping Dogs* (based on C. K. Stead's book *Smith's Dream*) starts instantly with action, as benefiting cinematic entertainment, with the assassination of a popular political figure by right-wing members of the security forces. The murder is then blamed on left-wing guerillas, who in reality posed as much danger as the Values party (in those pre-MMP days).

Following this burning-of-the-Reichstag-style plot, the baddies take over the country and declare martial law. Shortly afterwards, in the ensuing unrest, the dictatorship receives military support from the United States. The end result is that the apolitical Smith ends up having an exceptionally bad day, through no fault of his own - the security forces see the involvement of his ex-wife and the bloke she's bonking (Smith's former cobbler) with the guerillas as sufficient proof of Smith's subversive potential. Subsequently, this is what Smith reluctantly becomes as both sides attempt to manipulate him into fitting an image which conforms to their mutually murderous and self-destructive nature.

When *Sleeping Dogs* was first shown in New Zealand, most Kiwis (Values voters aside) would have viewed it as pure fiction - entertainment. People had yet to hear of the Red Squad, and police brutality was something that only happened if you lived in South Africa or you were an anarchist (in the latter case, an alarming amount of people would feel you had it coming anyway).

The image of the Wanganui computer bomber (as treated by the media) lurched radically from the reality of your stereotype - generally less than 20 years old, permanently broke, and terrorists only by the grace of their ability to badly tune a second-hand electric guitar.

In turn, I increasingly believe that the anarchist's creed is correct - we're in a state of silence closely resembling stupidity. In my case, the

realisation that *Smith's Dream* might be more than entertainment came to fruition not long after I saw the film on television. My first-hand experience of the darker side of the state would occur in Elliot Street, Nelson - home to the Vidgen clan, and a mere 30 metres from the entrance to Trafalgar Park rugby ground, on the front lines of the notorious 1981 South African rugby tour.

The Springbok Tour was a visual demonstration of how easily a conflict can tear a country apart, if the focus points are strategically picked. In Northern Ireland, the focus had been religion, where British special forces had been specifically directed to escalate secular troubles. In Africa, similar tactics aimed at stirring up political tension had been focused on tribal rivalries. In France during the 1970s, a clash of political ideologies, provoked by agents provocateur, was the justification used for giving greater powers to the security services.

In New Zealand, the catalyst would be racial. It was an obvious Achilles heel in "God's own country", where the issue of race rights is as emotional a subject for its inhabitants as religion is to the people of Northern Ireland - and it was ripe for manipulation.

The tour happened when I was 12. My father was pro-tour, while my mother was against it. I didn't care - my parents' divorce had made me a specialist at spotting the true emotional cause behind often illogical, fictitious arguments. The tour was just another lesson in family objectivity. Thus, when I saw the line of riot-shielded policemen lined up across Elliott Street, with visored helmets and long batons, I observed neither friend nor foe. I neither approved nor disapproved of the tour, for I didn't see it as the true cause of the anger behind people's passion over the issue. At that age, I felt secure in my right to fence-sit, and my interest was restricted to an excited but detached curiosity - neither the protesters or the policemen had anything to do with me.

These views quickly changed through the simple act of trying to enter the street on which I lived. My way home was suddenly blocked by a lantern-jawed, knuckle-dragging obstacle. A gorilla with sergeant's stripes grunted: "You can't come in here".

"I think I can - I don't believe it's become a crime to enter your own home yet," I responded, with all the indignity a precocious child can manage.

"Got any ID?" retorted Darth Vader in a defensive hurt tone. I took a step back, squared my opponent up and down as if I was inspecting a new species of insect and wondering what sound it would make when stepped on, sighed, and let him have it.

“Yeah, right, kids really carry around ID. What do you think I am, a member of the Red Army Faction? I can just see the headlines now: ‘Dangerous Child Terrorist Attempts to Go Home - Nation Shudders’.” If I hadn’t been brought up to respect authority figures (if only on the basis of convenience), I would have added: “Are you stupid or simply retarded?” Nevertheless, the effect was the same. I don’t believe the officer was used to middle-class white children possessing such a lack of awe for his position - for, after a stunned pause signalling defeat, he embarrassingly mumbled: “All right, what number do you live at’?”

I told him as I waltzed pass, without awaiting a response, with the air of someone who has been temporarily hindered by an underling.

Even at a youthful age I was developing the characteristics of being a smart-ass of the rank of grand prick. It was not until later that I considered the retribution that such behaviour could have earned me if I lived in a police state like South Africa, especially if I had not been a member of the dominant white elite. (I later realised I need not go so far as South Africa for a comparison, the police of South Auckland having developed their own reputation for institutionalised thuggery and state-condoned racism.) Yet at this stage I did not believe that the government of New Zealand was capable of despotism, that it ever had been, or that it could ever become so. Nor had I realised that tyranny need not be played out as obvious acts of force, but that it was possible for the erosion of democracy to occur via slow covert force. However, even without an advanced education in the science of coercion, Elliott Street scared me (and continues to). I had witnessed the signs of how easily authority can turn into something sinister when orders are unwittingly followed with no regard for common sense, although this sweeping generalisation of mine obviously doesn’t include many police officers who were opposed to the tour.

Years later I would again be faced with the fears of Elliott Street, when I read how the tour had been seen through the eyes of one of the main police participants - Red Squad second-in-command Ross Meurant (rumoured to be a big fan of Arthur Allan Thomas).

Meurant’s book *The Red Squad Story* was a fantasy in my view, in which the tour was the product of a greater Communist conspiracy, with the Black Power gang as the stormtroopers of the “Communist anarchist” plotters. Ironically, it would be no less than the Russians (via Prok Bank) that we would have to thank for ridding us of New Zealand’s own Mad Monk.

I may not have realised it at age 12, but the Springbok tour had marked me permanently, as it had the whole nation. We had just been

introduced to our first cup of coffee, and more than a few of us pondered silently whether this would lead to harder habits. For me, the experience contributed significantly towards my interest in the security forces, and to a greater extent a large part of my early career-shaping was based on an urgent feeling of duty.

I believed that the security forces were essential, in the reality of our times, to the security of the state, yet it was essential for democratic stability that the security forces be made aware of the need to be objective - not tied down by partisan politics but encouraged to be politically independent on an individual basis. Disciplined to accept the chain of command, but not robotically obedient. Above all, the military should be educated in its duty to refuse an unlawful command. Thus, if elements of the state ever did attempt to set the dogs loose upon their primary master, the public, the plotters would first have to overcome a security force that did not blindly follow orders, or seek to authenticate their authority later.

To an extent I still believe this, and within the various arms of law enforcement, intelligence, and the military, there is a quiet minority of individuals who also hold true to this essential naivete. Sadly, I don't believe it is an exaggeration to say that any member of the security forces who is too outspoken regarding the service's duty to protect and serve the public's rights and civil liberties, or who displays a tendency towards individualism, is rapidly thinned from the ranks or removed from any position of influence they might be in.

This "ideological cloning" is not, strictly speaking, a deliberately conscious act, but more likely a magnification of the conditioning environment present in any branch of the modern state - marked by its current march towards centralisation, where power is focused internally and all attempts to delegate responsibility collectively resisted. The end result? The Women Haters Boys' Club. The mindset, as I know from personal experience, is a dangerous one.

During the late 1980s and early 1990s the police and military scripted the Lawman series and other counter-insurgency exercises (while the intelligence agencies observed eagerly), based around the scenario a fictional civil conflict in the Pacific - which could have been New Zealand as easily as it could have been Vanuatu. I attended several of these exercises, both as a territorial soldier on attachment to an intelligence unit in 1991, and while serving as a signals operator in the Royal New Zealand Artillery from 1989 to 1992.

During my distinguished military career I had the distinction to "Bead Window" three times, theoretically compromising the entire Western

alliance's signal codes, and to severely damage \$250,000 worth of computerised artillery equipment. I slept through two simulated gun battles, and nearly crashed a Land Rover (having first put it up on two wheels). However, I never went hungry or without cigarettes, and I could "hydraulic" ("borrow" another unit's equipment) with the best of them in such exercises.

I was far from the model soldier, as a number of my NCOs will happily testify, but I have to confess it didn't take me long to realise that this was not my kind of world. I stuck with it on and off, if only to develop contacts and to look and learn (though playing with all those really neat military toys was kind of cool).

There is one such particular exercise that stands out in my mind as an example of why the dogs of the state need to be kept on a chain, and under strict supervision at all times. In March 1991 32E Field Battery, a territorial artillery unit, was deployed to Little Akaloa on Banks Peninsula for exercise Lawman 6, part of the annual Lawman series of counter-terrorist exercises. The day would bring back memories of *Smith's Dream*.

At daybreak, I found myself in a field overlooking an idyllic farmhouse, home to "Communist terrorists". All was quiet as 40 wannabe commandos inched their way towards their goal, ignoring the beauty of the scenery. In the harbour, a navy patrol boat cut off any attempt at escape. As we got within range of the homestead and its slumbering occupants, the commanders gave frantic hand signals, selecting squads for specific targets and sending others to lie in cover.

We all wanted in on the kill at our nameless objective, and disappointment was visible on the faces of those held back in defence. Waves of utter jealousy were directed at the few who got to kick in the door and tear the terrorists from their beds. However, this turned to mirthful joy as our rivals, the engineers, were blown up by mock booby traps.

Later that day I would confirm my image as an unfit soldier with my testimony following a high-speed shootout resulting from a terrorist ambush. I had refused to positively identify the attackers. While both attackers were found in possession of motorcycle helmets, and I had distinctly heard their escape vehicle as being a motorcycle, I had not seen them and would not say, even under the light-heartedness of an exercise, that I had. The NCOs and officers would scornfully dismiss me, after first passing a few snide remarks.

On the way out I passed the exercise's holding pen. In the pen was an acquaintance I knew from university - a civilian recruited to play the

part of a suspected terrorist. She was on her knees, her hands bound behind her back. Tears were running down her face - she was trying to wipe the overflowing mucus from her nose with her knee but could not, because every time she attempted to do so she would end up falling over. It was obvious that she was in excruciating pain.

I cannot honestly say I would have said anything had I not known her - earlier that morning I had, not jokingly but as a form of self-conditioning, called a terrorist prisoner a "Commie scum". I knew this individual and her civilian status, which I felt excluded her from the "play rough, deserve to get hurt" code of soldiering.

I approached the guard, a bombardier, and told him of her condition. "Piss off, Vidgen," he replied.

"Bombardier, the Geneva Convention (damned if I knew which clause - the army, as rule, tries not to familiarise its soldiers with that nefarious piece of paper, as Red Cross volunteers on Operation Golden Fleece can testify) is specific on undue cruelty and degradation of prisoners. It's clear from the prisoner's state..."

"Vidgen, unless you want to be charged, fuck off!"

Foxtrot Oscar I did - I was already in the dogbox and didn't want to make it worse.*

It was later revealed that my acquaintance had had her shoulder dislocated during an over-enthusiastic arrest, *GI Jane* style. Never again would she participate in Cowboys and Indians. In Northern Ireland, arrests of this type in 1971 had not prevented terrorism - it had simply manufactured more violence. This is what I was learning academically, at the same time as my territorial service - terrorism without tyranny is a lost cause. The relationship is symbiotic - neither the terrorists nor the security forces can survive without the other, as both well know.

Throughout my military career I would see this sort of behaviour on several occasions, with no effort to understand the meaning of the terms "counter-insurgency" or "police action". So much for winning hearts and minds - we were still at the "let 'em have it with cold steel" stage, despite the fact that for most of the late 1980s and early 1990s this is what our military was primarily studying - the result of supposedly being excluded from larger military exercises because of New Zealand's anti-nuclear policy.

My time within the intelligence sector of the military, though brief, further enlightened me to the potential threat New Zealand's security

* On another occasion an NCO informed us: "If you have a prisoner, shoot them - they're a liability. Of course, that's not official policy."

forces pose to the public due to their willingness to align themselves with outside forces. Despite the ANZUS treaty being a dead duck, ties between the defence forces of New Zealand and the United States improved in many areas, such as special forces training, signals intelligence and human intelligence. This was later confirmed to me by Neil Lumsey, a former warrant officer in the SAS, whom I interviewed in 1995, having encountered him on vacation in Queenstown while writing for the local newspaper *Mountain Scene*.

It was also corroborated during an interview with peace researcher and author Nicky Hager at his Wellington home in September 1997.

Hager, following the line of his book *Secret Power*, explained how the American National Security Agency-controlled signals intelligence base at Waihopai in Marlborough had been built with then Prime Minister David Lange's approval - but only after "opportunistic bureaucratic buggers" had told Lange "the lie that the bases would provide New Zealand with more independence".

Despite the country's anti-nuclear image, New Zealand was inching closer to being (in Hager's words) "squarely in Oliver North country". He maintained this was not surprising as, due to the strength of the UK-USA agreement, New Zealand's security forces had always felt more loyal and obliged towards the senior signatories, the United States and England - whom the treaty primarily served - than they did towards their own country's democratically-elected government.

New Zealanders with memories longer than a TV news soundbite will recall Lange's spat with the "Geriatric Generals" - retired military bosses who were highly critical of the anti-nuclear policy and who virtually incited the military to mutiny, if not in word then by example. During the Labour Government, it would be fair comment to suggest that the New Zealand military were not loyal to the public of New Zealand, and they were closely supported by their offshore counterparts.

A review of the times reveals those ties, via the number of visits made to New Zealand by friends of Oliver North and his English counterparts during Lange's "threatening" reign. Some of these visits would prove more discreet than others, and some were more dangerous than friendly. All these visitors were fanatically opposed to New Zealand's anti-nuclear status, and they were welcomed by Kiwis bound by the conviction that New Zealand was wimping out of the Western alliance just as the Soviets were about to show their true colours.

The seeds for these visits had been sown well in advance. For example, Dr John Laffin - a former soldier turned self-styled military historian - visited New Zealand during both the Muldoon and Lange days to state

that Islamic terrorists from Lebanon's Bekaa Valley had placed "sleeper" agents in New Zealand for unspecified purposes.¹ Without corroborating this statement, he went on to predict the fall of Saudi Arabia at the hands of Islamic fundamentalists. Laffin presented himself as an independent observer, despite the fact that his visit to New Zealand was paid for by the Jerusalem-based International Christian Embassy, which is "dedicated to building relations between Christians and Jews and between Israel and the rest of the world."

Laffin's message was not new - the CIA's top Middle East analyst, Robert Ames, had previously addressed senior intelligence officers at a meeting of the New Zealand External Intelligence Bureau, stating: "The Shah is gone - Saudi Arabia is next." Ames pressed urgently for New Zealand to be self-sufficient in oil production. Soon afterwards, Mobil gained a synthetic fuel plant in Taranaki, on terms so favourable to the company that New Zealand is still paying for it today.

On April 18, 1983, Ames, who was by then the CIA's director of the Near East and South Asia analysis bureau, was chairing a meeting of regional CIA experts in a soundproof room at the US embassy in Beirut. A truck, laden with high explosive, crashed through the embassy gates and slammed into the building. As well as the hundreds of casualties and wounded, the entire CIA team including Ames was wiped out.

To put it plainly, Ames was no junior official. His visit to New Zealand was extremely important. To add jam to the bread, this Synfuel icon to Muldoon's "Think Big" folly was constructed by a longtime CIA ally - the American construction giant Bechtel, in what would prove to be the one of the first command postings for "nuclear-obsessed" Stephen Bechtel Jr, later the head of the corporation.² Bechtel was also part of the JV2 consortium that handled the massive Marsden Point oil refinery extensions in 1982. It still has a presence in New Zealand.

Bechtel is a world leader in military and civilian construction. It built the Hoover Dam, and the Marietta Space Centre. It also founded Stanford Research International (SRI) in Menlo Park, the largest think tank on the US West Coast.

Stanford is contracted to do research for the CIA, Bechtel, Kaiser, and 400 other corporations. Next time your favourite media commentator quotes some research done by Stanford, you'll know where it came

¹ *NZ Listener*, 7 March and 18 April 1987

² *Friends In High Places*, Leighton McCartney, Simon & Schuster 1985

from. Bechtel's Hoover Foundation was also a key player in Ronald Reagan's rise to the Presidency.

Bechtel's reputation as a meddler in the affairs of other countries was not small - it had played a part in Colonel Muammar Qaddafi's rise to power in Libya, and later helped the CIA and fellow multinational ITT to dispose of the democratically-elected left-wing government of Chile through General Augusto Pinochet's brutal coup. Bechtel had also reportedly helped the CIA to smuggle weapons into Saudi Arabia - in fact, the corporation was so tight with the CIA that several senior CIA officials would end their careers by going to work for Bechtel - as was the case with retired CIA director John McCone. Other spook friends of Bechtels included William Buckley - killed in Beirut - and CIA director William "Irangate" Casey.

Openings at the executive level, however, were open not just to spies but to many right-wing Reaganites, including future Secretary of State George Schultz and Ames's good friend Caspar Weinberger, later appointed US Secretary of Defence. Further contact to the Reagan administration was opened via Casey, Citibank chairman Walt Wriston (later on Bechtel's board of directors), and Chalk Walker, a founder of the US Business Roundtable. All fought to make Reagan's fantasy of "limited government, low taxes, and strong defence" into a global reality.

With this background, it was not surprising to hear rumours circulating that the "scavengers of war and poverty" were providing deep cover for CIA agents in New Zealand during the time of the Lange administration. Such rumours cannot yet be proved, but it should be noted that Bechtel had provided such a service to the CIA on a number of previous occasions (including Libya), and that such a role was not outside its capacity or nature. But Bechtel did not work alone.

Reports by US journalists, published overseas because US media bosses refuse to run them (the same problem Wishart complains of in New Zealand), suggest the CIA is using Bechtel and other large multinationals as part of its so-called NOC scheme: non-official cover.

Under the scheme, CIA agents are "employed" by the participating multinationals and sent into foreign countries using their employment "cover" to discover data or recruit informants.

NOCs are normally only sent to friendly countries, like New Zealand or Australia, because their commercial cover gives them no diplomatic immunity. If sprung, they can be arrested and even executed as spies.

"NOCs frequently stay five, 10 or more years in one place," writes Washington DC journalist Robert Dreyfuss, which gives an indication

that the CIA are plotting so far ahead that New Zealand Governments could come and go in three elections during that time.

The NOC project fell out of favour in the mid 1960s, mainly because of the dangers to agents who could not claim diplomatic immunity, but also because of cost – it was much easier to station spies in embassies.

It wasn't until the Iranian Revolution and the US Embassy takeover wiped out CIA resources in Tehran, that the CIA realised it had made a mistake.

“Because of the closure of the US embassy,” writes Dreyfuss, “the CIA had virtually no presence in Iran. A NOC programme, [CIA Director William] Casey reasoned, would at least have given the CIA a toehold inside the country.”

Is there a NOC agent, one might have cause to wonder, within Telecom? After all, what would it be worth for the CIA to have access to the communications infrastructure of New Zealand?

CHAPTER SIX HERE COME THE GENERALS

“I’ve lived long enough to have learned: the closer you get to the fire the more you get burned.” – Billy Joel, A Matter of Trust

In 1985 Bechtel demonstrated its interest in New Zealand domestic politics when it co-hosted, with retired US Admiral Lloyd Vasey, the Pacific Forum - at which, alongside dire predictions of the growing Soviet threat, New Zealand’s anti-nuclear status received a verbal walloping.¹

During the term of the Lange administration a number of similar forums were held, either in connection with Vasey or affiliated to the World Anti-Communist League (WACL) - an organisation which is now a large, slow, lumbering dinosaur: dying, but not quite dead. But in the 1970s and 1980s, when rumours of Communist influence in Oceania abounded, such affiliations proved to be an effective tool for Western intelligence organisations, powerful right-wing movements and large multinationals. Conferences like the Pacific Forum offered a venue where like-minded people could pool their resources, recruit, peddle their influence, and generally cooperate in their pursuit of a “mutually desired” policy.

In view of the fact that such a policy, and such individuals, coined jargon like “final solution”, “zero population growth” and “the numbers game”, the frequency of these forums in New Zealand during Labour’s administration was disconcerting. Vasey himself visited Wellington in June 1987, along with Herbert Levin (widely considered to be a CIA officer) of the Asia Foundation - yet another organisation with a history of providing CIA covers, which had also co-sponsored the 1985 Pacific Forum with Bechtel.²

Vasey and Levin spent their visit holed up in their hotel rooms, holding a series of discreet meetings with Brian Talboys, minister of foreign affairs in the previous Muldoon cabinet, and on at least one occasion, with Hugh Templeton, former minister of trade and relations, and another member of Muldoon’s inner circle. Such connections did not go entirely unnoticed, as perhaps Templeton or Talboys would have wished. Shortly afterwards Television New Zealand’s current affairs programme *EyeWitness* zeroed in these meetings, and on how the

¹ *Wellington Pacific Report*, July 1985

² *Ibid*

“Honourable Men” were turning up in force to Vasey’s little discussion groups - conferences with lovable redneck names like “Oceania” and “Red Orchestra”.

Following the outbreak of the Iran-Contra scandal, it would be discovered that Red Orchestra and Oceania had simply been fronts for Project Democracy, from which the Iran-Contra network had sprung. Project Democracy was designed to fit US President Reagan’s picture of the West’s fight against communism, in which like-minded buddies helped with the logistics, funding, and know-how required for this secret war.

Project Democracy-linked visitors to New Zealand included Marshal Green, US ambassador to Australia at the time of the Whitlam government’s overthrow (see Pilger’s *A Secret Country*), who also arrived for private talks. Shortly afterwards, in 1987, Green’s old friend, former Australian Prime Minister Malcolm Fraser - the man who disposed of Whitlam - would be caught, in a letter written at the request of England, calling on the US to punish New Zealand more stringently for its anti-nuclear stance.

Ties to New Zealand among the principal players within Project Democracy were hardly new. As early as 1984, Admiral Bobby-Ray Inman - a key player in the Iran-Contra scandals - then head of the most powerful publicly known American intelligence service, the National Security Agency (NSA), and a member of Reagan’s naughty National Security Council, had felt it essential to tour Godzone¹.

In 1972 New Zealand had hosted CIA director Richard Helms, who three years later faced charges for lying to the US Congress over the role of the CIA in Chile. Helms was reportedly indicted on evidence originating from William Colby’s testimony.

It is understood that the purpose of Helms’ visit was a secret meeting of all the heads of Western intelligence agencies, held at the Hermitage, Mount Cook, or possibly Queenstown. If so, it would not be the first time that VIP spooks had visited New Zealand with (not surprisingly) little or no press attention. For example, in 1995 alone, Queenstown received low-key visits from Neil Bush, son of former President George Bush and a regular visitor to Queenstown’s Millbrook resort, and a high-level delegation of Israeli “businessmen” that coincided with a visit by the new Israeli ambassador to New Zealand, a specialist in information technology. These were covered by local newspaper *Mountain Scene*.

¹ *Veil*, Bob Woodward

I would witness the head of this delegation warmly greet two local individuals -one a former senior NCO from No.1 Battalion, the other a “former” New Zealand SIS officer. Strangely, this individual arrived in town at the same time that Queenstown became home to yet another individual who kept a pistol in his safe, and who also boasted of being “ex” SIS.

About the time of the Israeli visit, rumours circulated that Queenstown had been visited by a large party of US Congressmen. To add to the intrigue, during this time Queenstown had certainly being visited by United Nations Secretary-General Bhoutros-Bhoutros Ghali - later disposed of largely thanks to Israeli lobbying, the consequences of Ghali’s refusal to cover up the Israeli shelling of civilians and Fijian UN troops at a refugee camp in Lebanon in 1995.

None of these visits was greeted with any in-depth media coverage.

One Project Democracy VIP did, however, receive a degree of media attention. Ray Cline, former deputy director of the CIA and head of the US State Department’s intelligence service (which is closely affiliated with the WACL), was planning, in his words, to visit his “friends in New Zealand”. This would coincide with the establishment of a special ANZUS project, in conjunction with the Georgetown Centre for Strategic and International Studies, affectionately known as UCIA.

Attempts to verify when and whether Cline actually visited were met with murky answers. *Wellington Confidential* of January 1985 reported that Cline and Vasey were planning to visit New Zealand in early 1985 - Vasey definitely visited for the Pacific Forum meeting that year, as well as a meeting with Goldcorp’s Ray Smith.

Wishart, in *The Paradise Conspiracy*, reports another visit by Cline in early 1986 and, in a subsequent discussion with me, says Cline has established social contacts with New Zealand businessmen.

Precisely when Cline graced New Zealand with his presence is irrelevant - the project did come into existence, proving to have close affiliations with the Centre for Independent Studies.

The ANZUS project would also include the legendary Dr Henry Kissinger, Richard Nixon’s former Secretary of State and head of the National Security Council under Lyndon Johnson; Zbigniew Brzezinski, head of President Jimmy Carter’s National Security Council and a big fan of Afghan “freedom fighters”; and (in my opinion) CIA ‘honorary stooge’ Malcolm Fraser.

The local talent would include WACL members Dr Dalton and Bruce Larsen, whom I like to call “the Sanitarium twins”, on the grounds that they’re loonier than a bowl of mixed nuts, in my humble opinion. For

example, there is Exhibit A - Larsen's magazine of the 1970s, *Heed* (assistant editor David Crawford, Christchurch City Council employee and spokesman for the 1970s version of the National Front). Gems from *Heed* include: "We have been laid low by a gangrenous infection that has been mortifying the blood cells of the West since the emancipation of Jewry in the 19th century. For years it has been eating away at our arts, our laws ... Now it is eating at our vitals." Exhibit B is Larsen's statement, made literally in the company of Nazis and right-wing terrorists during a WACL conference, on whether Chile was a democracy: "Certainly it is...". And for Exhibit C (from the same conversation): "I do not believe in democracy for subversive leftist elements." When Larsen was in a similarly rational mood, he would defend the notion of racial superiority.

Larsen's view of the world would be fit only for a Monty Python sketch if it wasn't for the fact that such schemes like Project Democracy were full of people like WACL chairman General Singlaub (Reagan's Contra mercenary specialist), who stated during his inauguration as chairman that terrorism was an acceptable form of political action when applied to (his definition of) the left.

These were the guys who, come the ANZUS row, the New Zealand defence forces felt more in tune with, and more willing to take orders from. Thus, during the Lange administration people like David Hackworth could be found running around pretending to be a peacenik, warning (though some would say threatening) New Zealand of covert action by the CIA.

Strangely, no one found it odd that this peacenik was previously a specialist in counter-insurgency, having commanded a unit in Vietnam with the highest kill ratio in a war where such ratios were, to say the least, a bit hazy concerning who was a civilian and who was an enemy soldier. Hackworth would later turn up as a military correspondent for *Newsweek*, in between giving lectures on counter-insurgency to soldiers for the same army which years earlier had let him go rather than court-martial him for insubordination (including public criticism of the Joint Chiefs of Staff).

He turned up in connection with the death of Admiral Jeremy Michael Boorda, an opponent of the American Bosnian plan, who reportedly committed suicide for falsely wearing the V for Combat medal (as alleged by Hackworth¹) - an allegation which Admiral Elmo Zumwalt (Retd), a real Kissinger-hater, would prove as being without merit.

¹ *Sydney Morning Herald*, May 25 1996

Before having an opportunity to face Boorda with his false claims, Hackworth was documented as boasting that he would not be surprised if the report led to Boorda committing suicide (leading to a *Newsweek* apology). For a peacenik, Hackworth certainly enjoyed seeing others in misery*.

The Lange years would be plagued by spy-related scandals. First there was Maori Loans Affair 1 and 2 (more on them later), featuring a host of intelligence agents - some of whom were found to be based in New Zealand itself - and described at its most basic as being a Whitlam-style attempt on Lange.

More snoozing mutts were uncovered in a dodgy computer company attached to US aircraft manufacturer McDonnell Douglas and the CIA - leftovers from Nugan Hand - involving no less than the same people from the Maori Loans affair. Strangely, some of these most ardent members of the Maori independence movement, apart from being in bed with the CIA (via financial deals), could be found in partnership with the NZ Business Roundtable.

Apart from incidents appealingly targeted to serve as natural conductors for racial tension, visitors could be found lurking not far from a series of Soviet spy scares that hit New Zealand during the mid-to-late 1980s. Such scandals were predictably cited as proof of the dangers of New Zealand's anti-nuclear course. Unsurprisingly, once you peeled away a layer you inevitably found tweed-suited tossers with English public school accents.

The influence of the British Foreign Office could be found within the Sergei Budnik affair, of which only a handful of people know the full truth. Likewise, this was the case when the British produced a Soviet defector to share his "knowledge" of New Zealand and Pacific affairs (which was highly inaccurate, as Lange pointed out), with no thought as to how this was playing into the hands of the Soviets. This was further highlighted by the mysterious appearance of yet another Soviet agent in New Zealand, who just as mysteriously disappeared after being handed over to MI6 - the same MI6 which, when asked to investigate whether the Wilson Labour government had been overthrown Whitlam-style and whether MI6 was responsible, stated (to paraphrase the British satirical

* *For the record, the pistol found at Boorda's side has never been satisfactorily proved to have been the property of any member of Boorda's family, despite media speculation to the contrary.*

magazine *Private Eye*): “MI6, having investigated MI6, can conclude that MI6 did not overthrow the Wilson government.”

When the Communists didn't work, the Libyans were brought out to play.

CHAPTER SEVEN

SEX, LIES AND LIBYANS

“Stand up, get up. Stand up for your rights. Stand up, get up. Don’t give up the fight.” - Bob Marley

The Libyan approach was flagged by Vernon Walters’ famous tour of the Pacific, in which Walters, acting like a modern-day Paul Revere, was yelling: “The Libyans are coming!” Though melodramatic, it was certainly effective, with the impracticality of a Libyan invasion failing to convince even my reasonably rational mother.

Mum wouldn’t buy the concept that Qaddafi didn’t have an aircraft carrier or three tucked away off the coast of New Zealand. I didn’t even attempt to explain the improbability of a post-Andropov Soviet Union being willing to leave the expansionist plans of the motherland (another common variation on the Libyan theme) in the hands of a Muslim military junta which, at the end of the day, was of the opinion that one atheist looks pretty much like another when standing in front of an M16 or AK47 (weapon selection being based purely on the Machiavellian principle of which infidel can provide more arms than the other).

In reality, Qaddafi might just be the Santa Claus that the loony left and the dispossessed depict him as (though Edwin Wilson’s place in the heart of Qaddafi’s revolutionary/terrorist camps open to all sorts of subversives, causes me to stop and think).

Aside from the fact that he had willingly used the CIA and the West to secure his leadership by bloodshed (up to the point where the Western oil cartels felt the cost was getting too high - kind of reminds you of Saddam Hussein, doesn’t it?), there is the point that a traditionally Iraq-fearing nation might just find it kind of kosher to ham up on Iran in the future, especially in a situation preceding an “Et tu, Brute?” scenario (kind of reminds you of Anwar Sadat, doesn’t it?).

Yet to be fair, mum’s higher education was restricted to the more worthwhile occupations of art and self-sufficiency. The professionals of Australasian politics bought Vernon Walters’ Libyan conspiracy like students faced with a revisionist history of the New Zealand Wars. Even those wild and wacky (and only occasionally psychotic) characters in the Australian intelligence “elite” office, the ONA, bought it. It would be snide to suggest from their analysis (which includes a description of Tonga’s land forces as a predominantly maritime force) that *Penthouse* was a major research tool for intelligence operatives on both sides of the

Tasman - though evidence from Fiji would reach this conclusion literally.

The message was clear: if Australia feared the Libyans, then so must New Zealand, even if this meant a highly publicised “secret mission” by Bill Hayden, which ended (as a cartoonist depicted) with Lange showing Hayden his plans for closer New Zealand co-operation - North Island, South Island and West Island.

Tonga’s own relations with Libya would be ignored, as was Tonga’s later role in the second Maori loans affair (which if successful would have, according to CASPER, led directly back to Libya. Being familiar only with Maori loans affair number one, I thought CASPER was buying or selling the crap himself - but as it turns out, he was right. According to CASPER, this loan remains open and may be undertaken at any desired time in the future).

What I did not know, and which Australasian intelligence didn’t realise (probably by taking UK-USA intelligence at face value), was that the US and Israel had at that time an ulterior motive for pursuing the “Libyans in the Pacific” line (aside from distracting people’s attention away from Fiji - more on that later).

Perhaps the suits from the policy advising bureau - who like to act as policy makers - might have clicked had they conferred with alternative sources from the Middle East, Europe, Africa, and even with the better agencies of Eastern Europe such as Czechoslovakia or Poland, or their own field sources. This, however, would involve doing something closely resembling the purpose of their job, and totally without career merit.

The US-Israeli operations did have an ulterior motive, and even their own CIA code name - Operation TULIP. It was, at its most simple, an attempt to use generic destabilisation techniques and propaganda (via the efforts of the likes of CIA-friendly writers like Brian Crozier and Claire Sterling), to convince those naughty Europeans to stop buying Libyan oil. TULIP would, around 1985, flower into Operation ROSE - the use of military action against Libya, though it would need the catalysts of the La Belle discotheque bombing, the shooting of WPC Yvonne Fletcher outside the Libyan embassy in London, and the Lockerbie bombing for the Europeans to buy it - and then only reluctantly. These three incidents are outside the scope of this book.¹

Yet, in brief, it should be noted that:

¹ *Veil*, Bob Woodward

- 1) Confirmation of Libyan involvement in the La Belle bombing via signals intelligence monitoring of Libya would later be undermined by the discovery of Operation Trojan, the planting of signal relaying equipment in Tripoli by Mossad;
- 2) The number of disturbing oddities unearthed by, among others, journalists from Britain's Channel 4, surrounding the Fletcher shooting - including ballistics and forensic reports, and reports that the protesters present that day had been phony;
- 3) The original findings of the Lockerbie disaster unearthed by the British police placed the blame squarely on Syrian state-sponsored terrorists from the PFLP-GC and the Abu Nidal Organisation (not to be confused with Abu Nidal the man). This would later be undermined mutually by Thatcher's spin doctors, and the questionable forensic work of FBI forensic director James Thurman*.

Yet despite the reams of alternative sources, the boys stuck together, unquestioningly accepting orders even when they were being sent by sources outside the charter of the sovereign elected government they had sworn to protect in an oath of soul-binding importance with their Queen or God. It is not trite to raise this issue - you might laugh, or they might laugh, at this point. Yet if you laugh it is because, as a civilian, you are free of the action of hypocrisy.

In the case of New Zealand's lack of response to the Fiji crisis, the New Zealand military's Chief of Staff appeared to claim the defence of 'refusal to obey an unlawful command', stating that Prime Minister David Lange did not have the permission of the Governor-General.

If this is correct, why did Lange feel the Governor-General would not back him up? Why did leader of the opposition Jim Bolger not use this point against Lange, or feel that the results of the subsequent inquiry

* Thurman, in a subsequent Justice Department whistleblowers inquiry, was shown to have not only concocted evidence as requested, but to have identified human urine as the explosive responsible for the World Trade Centre bombing - which would later lead to a conviction under an obscure and outdated Civil War interpretation of the US's conspiracy law (with the help of a paid FBI informant - a former Syrian intelligence officer who, aside from failing multiple polygraph tests, was found to be also in the employment of Egyptian intelligence).

should not be published, as he first promised? Questions are an appropriate way of introducing of the Fiji situation, where there are no clear good guys or bad guys, just questions.

In looking at the Fiji crisis, there are no confirmed cases of the military actually declaring their intention or raising the exact reason for their refusal to obey a direct order, with the reasons for their counter-commands slanting the public's perception of their actions later.

The honourable men (from schools with Latin mottos like "Honour the rule") would insist that their troops respect all traditions to the core, at the cost of even their souls. Yet their actions, if followed by any of their juniors, would have resulted in a court martial on the grounds of mutiny. When called to serve, the red tabs elected a course which, by political definition, amounted to sedition, on the unconsulted basis that they knew best.

The military's actions during the Fijian crisis deserve the accusation of mutiny, though the argument concerning the Governor-General's role in the matter is a valid defence put forward by Les Gee. It did not bode well for the military's later testimony on other aspects of the crisis, or on a matter of genuine national security, that questions concerning the loyalty of New Zealand's security forces be allowed to be swept under the carpet due to "national security".

On the face of it, Lange's reasoning was simple - obtain a squadron of your best commandos, give them the equipment they need, and chuck them in a C-130 Hercules ready to go at a moment's notice (though two hours would be allotted to account for any additional equipment and personnel required, or any problems that might be encountered).

True, they were flying into a potentially hostile environment but, as Lange reasoned when it came time to dispatch the written version of his instructions, this was the entire purpose of the SAS's \$13 million budget (generous when compared with what a unit of far greater size had to live off). If the unit was considered too precious to be used when the protection of New Zealand's sovereign interests was at stake, then what was its purpose?¹

There may have been geopolitical reasons for this tactic, even moral and social obligations, but these issues were not the concern of the military. Policy-making was the arena of the elected, not those whose job description lay clearly in the field of policy advice and execution. Yet the dogs barked otherwise.

¹ *The Christchurch Press*, 10/4/92, 6/6/92, 10/5/97

When the initial order came through, the SAS was sent to Whenuapai for the purpose of being on standby. Some papers suggested, as does Gee (whose knowledge concerning Fiji is technical and indirect, however, as opposed to direct operational knowledge), that the one-hour standby, in effect, meant go. I disagree - while such a situation increases the itchy trigger finger factor, and indicates a certain resolve, it is not an actual legal declaration of war.

Next came the question of what the SAS would do. The correct answer is protect New Zealand's interests - a task defined, at first, as a simple objective to engage (not necessarily to fight) the conflict that had arisen out of the hijacking of an Air New Zealand 747 by a sole hijacker.

An hour later, after Lange's order, the Defence Chief had recalled the SAS from Whenuapai, stating correctly that a phone call was insufficient and the order would have to be relayed in writing. At this stage, former Chief of Staff Air Vice-Marshal David Crook stated that he had the "impression" that there was no intention to tell Fiji.

This is despite the fact that - aside from the High Commission's contact with the Royal Fijian Military Force - no less than the Coordinator of Domestic and External Security, Gerald Hensley, was to be sent in advance to establish contact with the proper authorities - the police, not the army, which the Lange government could not afford to be seen to be recognising.

Crook, impersonating Kitchener, would misleadingly state, in my view, that this claim was preposterous, as at the time of the initial order Hensley had not even left Wellington. This is true, yet while Hensley's departure was hard and fast, no actual decision to send the SAS had been made. As time was of the essence, Hensley stood a better than average chance (under the circumstances) of getting into Fiji and securing communications with the proper authorities, specifically the Fijian Governor-General, above and beyond what the New Zealand High Commission was authorised to tell the Fijian military should it come to actually sending in the SAS.

Yet at Nadi airport, the situation was secured by Air New Zealand's own counter-terrorism techniques, providing time for an extended consideration of New Zealand's interest in Fiji. One thousand New Zealanders faced possible evacuation, tempers had not yet cooled, and members of the Fijian army had already shot up a car belonging to the British High Commission. However unpleasant, the SAS was the closest thing the High Commission had to the cavalry.

As Les Gee debates: “At the best, the SAS could have held out for 48 hours, but by then they would have needed serious backup.” Unlike war, 48 hours is a long time in politics, and anything can happen.

The New Zealand High Commission did not want to be told that the PM was still arguing with his subordinates to let “their” boys come out and play. Yet this was exactly what was happening - the military were apparently attempting to force Lange’s hand into dealing directly with (as the military called Rabuka) “Steve ... that nice guy”, claiming that to react otherwise could start a fighting war. Les assures me that he’s positive that the Fijians were parked at Nadi airport with orders to shoot if New Zealand attempted to send a military support aircraft (too bad if the RNZAF plane landed elsewhere). Les, I value your opinion highly, but in this case I believe you’re dead wrong.

Imagine this: you have just taken over the government of a Commonwealth state, and are attempting to secure official recognition from the Crown. During the chaos of the coup, a fellow Commonwealth nation attempts to land forces to protect its embassy and the people within.

Despite at least two channels of communication, plus the unofficial ones created via the large numbers of this country’s personnel within the high offices of your state (such as John Falvey, and New Zealand-educated Isikeli Uluinairai Mataitonga, who were advising the Governor-General on what he should do), things go wrong and your people inevitably start shooting. The other nation has (minimal) air and sea superiority, and a better than average chance of obtaining support from other Commonwealth nations, some of whom have warships in the region - as well as the benefit of being on the right side of international law.

What are the chances that you will allow any shooting to occur in the first place, especially when your aim is a bloodless coup (a point of view obtained while studying with the armed forces of the said foreign nationals on your doorstep, some of whom are on secondment in your own army at this very moment)?

In the event that, somehow, the situation does reach condition FUBAR (Fucked Up Beyond All Recognition), what are the chances you will remain king of the castle? The answers are simple: slim and none. Solution: You will walk on water if necessary, but you will not allow any shooting to occur: period. This in fact was not the Chief of Staff’s concern, other than what he could do to reduce the risk to his men if it did occur (while working within the parameters of his orders), and if it did occur, how best to respond.

Further, on a technical basis, although the order called only for the troops to be ready for dispatch, Crook was failing to comply - or by his standards, state his reasons in writing - or respond to a higher authority, namely the Governor-General. Had he filed his intention to challenge the Prime Minister's orders to the Prime Minister's office or the Governor-General's office when the order came (though it never did), Crook would then have had a defence for his refusal to send the soldiers into an environment of conflict - challenging the Prime Minister's command as an unlawful command, on the grounds of it being reckless and having the potential to endanger New Zealand lives beyond a reasonable risk (the "order issued without authority by the Governor-General" argument).

Crook and his staff did not do this. They simply failed to respond to a direct order - by definition, mutiny. They reacted in the same manner each time the written order was presented - on the 19th of May, the morning of the 20th, and the afternoon of the 20th (in which a frustrated Lange attempted to detour around Crook requesting soldiers from Singapore). Had this fiasco reached a court of inquiry, it would have been interesting to see the outcome:

Commission: "Air Marshal Crooks, what was the basis of your refusal to carry out the written orders from the Prime Minister as handed to you via the office of Mr O'Flynn, the Hon. Minister of Defence, on the 19th and 20th of May 1987?"

Crooks: "I felt that to send New Zealand troops to Fiji would be have been to endanger their lives, and the lives of other New Zealanders in Fiji."

Commission: "Why?"

Crooks: "The PM didn't know enough about the situation in Fiji."

Commission: "I call as a witness Les Gee, former Corporal in Army Intelligence acting in a position normally reserved for a Captain at the time of the coup. "Mr Gee, was the army not aware of a situation occurring in Fiji at the time?"

Gee: "Oh, we knew something was going to happen, just not when." (Rabuka himself would refer to the coup as "one of the most publicised

coups in the world ... It was common talk - people were expecting it to happen.”)¹

At this stage a clever defence might have shifted the blame from Crook by stating that while perhaps closer observation should have been posted on Fiji, in light of what the Army knew, such a tasking was not within the charter of Army Intelligence. Nor was it within its charter to relay the intelligence directly to the Prime Minister’s office or the Defence Minister’s officer - this was someone else’s responsibility.

Les’s own testimony would argue (as he ferociously does) that following the use of this defence, a prosecutor would have little chance of finding out why the Government was poorly informed on the situation in Fiji, or discovering why the intelligence collected on Fiji was not made available to the Prime Minister’s office (or the Defence Minister’s office, or the Director of External Security Coordination) prior to or immediately following the coup.

According to Les, the reason for the difficulty in fixing blame has been the lack of a fixed defined charter within the security services. This omission allows poaching to occur within all arms of the intelligence service, and allows for complete deniability in the event of misfortune (such as the alleged ignorance of the Prime Minister regarding Fiji, as Crooks charges).

In other words, no one wants to take responsibility for the information collected (and, possibly, the means by which it is collected), and until some one does, your sixth-generation squillion-dollar pedigree is a mutt of no use to anyone, and a potential menace to society in general.

On the question of how much the official security services *did* know, and to what degree they became directly involved in the intrigue on Fiji, some conspiracy theorists point out that as the New Zealand High Commission was spending half an hour on the phone at a time trying to establish the facts, a New Zealand soldier on secondment drove a Fijian armed forces truck up to Government House on the day of the coup, “a place no soldier went who was not in on it”²

In turn, two weeks prior to the coup, the Fijian Government cancelled a joint Fijian-SAS exercise on the advice of the RFMF - an event which, with the organised rioting, should surely have been an important signal

¹ I suspect that in this case Les would consider, in light of his own position on the coup, that I am quoting him out of context. However, according to the taped transcript, these are his exact words.

² *Fiji: Politics of Illusion*

to pay closer attention to the clues that would have warned of “one of the most publicised coups in the world”.

In light of American involvement in the coup and the role of certain intelligence-affiliated New Zealanders (discussed in the following chapter), the possibility of deliberate high treason within the security services (or at least an indirect dereliction of duty), originating from the highest levels and motivated by anti-ANZUS feeling, should not be dismissed out of hand in my opinion.

Such allegations are at odds with the general image New Zealanders have of the military as a noble and loyal servant immune to treachery (which, for the most part, it is). Yet to accept this theory on the basis of the above point is to risk accepting the report without knowing its context - in the same way as we are prepared to accept an individual intelligence operator’s version of events, without knowing what information has been withheld, or is known, by their superiors.

Perhaps the soldier was one of the informal channels of communication; perhaps the soldier never existed (though at one stage New Zealand would have in Fiji at least some soldiers on secondment, two SIS officers, and two SAS soldiers (until their “capture”).

However, even with the benefit of the doubt the New Zealand military and security services do not come away with honours. Regarding their claims that the coup erupted without warning, and that in the subsequent brouhaha the Government had no relevant information as to how the Fijians would react with which to justify the SAS being on standby, one need only point out the closeness between the two services, the opportunity this provided for solid intelligence, and the fact that part of this cultivation was carried out exactly for that purpose.

The most common example of the bonds between the two services is the capture of the two SAS soldiers. The legend was that the two commandos were identified by the RFMF, as they had partied with the RFMF following previous SAS exercises in Fiji. Regardless of the truth of this story and the unsatisfactory lack of detail concerning their arrival in Fiji and the details of their detainment, the theme remains true.

Further evidence pointing to the fact that the New Zealand security services were in an ideal position to monitor events (and are in fact tasked to do so by the Western alliance) comes from a Joint Intelligence Briefing document dated July 26th, 1954, which highlights how the Western alliance recognises New Zealand’s advantage in collecting intelligence from within Fiji’s region. The brief details are that the primary purpose of a visit to New Zealand by Major Trudeau, the US Director of Military Intelligence, and 13 other US intelligence officers,

was the “procurement of intelligence”. Indeed, a good half of this procurement mission would be dedicated to the intelligence New Zealand could provide on the south and central Pacific.¹

An updated version confirming that this tasking continues came following the allegations of American involvement in the coup, and repeated reports of a huge CIA presence on the island in the weeks prior to and following the coup. Peter Samuels, in the *Australian* of June 21 1987, denied that the CIA had even a single man in Fiji. Samuels would claim that in matters regarding Fiji and intelligence, the US relied on the efforts of Australia, Britain, and New Zealand. (7)

Aside from its geographical position and historical ties, New Zealand was also in a good position to know what was going on through its access to Fijian high society, via a number of New Zealanders serving in prominent Crown or corporate offices in Fiji. Indeed, until 1983 the primary position within the Fijian military had been occupied by New Zealander Brigadier Thorpe, a former New Zealand Army officer who would return to this position two years after the coup at Rabuka’s invitation.

In turn, Fiji, like most Pacific nations, was well disposed towards New Zealand’s intelligence services, and had “expressed particular appreciation for the frankness and value of intelligence” from here (*Pacific Neighbours*, Ron Crocombe, Macmillan Brown 1992). Indeed, when asked how he would have reacted if the SAS had landed, Rabuka again confirmed the close relationship between the Fijian and New Zealand security forces - “Well, I have a lot of faith in the NZ uniformed people, and we would have hit the same frequency right away”. Rabuka would go on to say: “We would have been talking the same language.”

So why was New Zealand unprepared for a well-publicised coup, and how was it possible that the military could succeed with its mutiny? No one ever asked the first question. To address the second question, an inquiry was in fact held once National regained office, following Jim Bolger’s decree that “New Zealanders deserve the full facts”. The inquiry concluded in the relatively short period of two months, without Lange (and possibly any other member of his Fijian crisis team) being approached to provide testimony. Bolger would state:

“It is quite a short report, and I don’t think there is anything to be gained in releasing it.”

¹ *WPR*, January 1990

The conclusion was final - it was better that the destabilising tumour of suspicion be allowed to grow, than to let the truth be known. Shhh...let sleeping dogs lie.

CHAPTER EIGHT TEATIME OF THE LONG DARK SOUL

“Sitiveni Rabuka was a man who tried hard, but who I think was misled ... was misled ... no further comment.” - The late Dr Timoci Bavadra, deposed as Prime Minister of Fiji in 1987, to whom the following chapter is dedicated.

The late 1980s marked for New Zealanders a gradual realisation that there exist elements within authority whose motivations are against the interests of the people and the country. Similar observations were also being made in Fiji.

On May 14, 1987 the people of Fiji awoke to find that *Smith's Dream* had become reality. Yet though the explosion of tyranny was sudden, the fuse of radicalism had been set with plenty of notice. Again, a similarity existed with New Zealand, in that a significant portion of the crisis lay in Fiji's own nuclear-free policy. Such a statement will undoubtedly be met with criticism from the revisionists who insist that we are and always have been at war with Oceania; to them, I say go lick a yak.

Annoyingly, the revisionists dominated the accounts of the causes of the Fiji coup to the extent that even the most foaming mad peace activists stopped their mantra that the American intelligence services had been behind it. The lentil munchers withdrew to the battlements of wimpdom instead, stating that the Americans “may” have played a role, but as a lubricant rather than the catalyst. The peaceniks, in their inability to say “The spooks are screwing us again, with or without lubricants”, promptly lost what credibility they had gained (in between paying their mortgages).

The peace activists should have stuck to their guns. For five years prior to the coup the road had been clearly marked with signs that the Western intelligence services had been taking an active interest in the politics of Suva.

In 1982 nuclear-free Fiji, located at the centre of the Pacific shipping routes, had gone into what was correctly predicted to be a tight election. Labour was inflicting heavy body blows on the ruling Alliance party with the jab of the Indian vote and the powerful hook of the Fijian working class, strengthened by increasing support from those sick of what was seen as growing nepotism within the Fijian government.

In this environment, Prime Minister Ratu Sir Kamisese Mara hatched a plot to break Labour's back, in conjunction with his tag team partners

John Falvey QC, the New Zealand-born Attorney-General, and Sir Leonard Usher, right-wing editor of the *Fiji Times* (Great-grandad would not be amused). These “gentlemen” suffered from chronic RNCM - Rampant Neo-Colonial Masculinity. RNCM is a horrendous disease whose symptoms include a penchant for safari jackets and walrus moustaches, the consumption of large quantities of gin and tonic, and a tendency to slaughter endangered species with blunderbusses (a subject of competition amongst RNCM victims). Whether the species walked on two or four legs is irrelevant - RNCM sufferers are not particularly fond of a fair fight.

The plan was simple: the three alleged that the leader of the opposition, Siddiq Koya, had received a A\$1 million bribe from the Soviet Union.

Their evidence? A sole letter stating that this was the case - no photos, wire taps or witnesses. The repercussions were sufficient to bring about a Royal Commission of Inquiry. The ploy, in effect, had been too successful, for under investigation Mara withdrew his claim, citing (you guessed it) “national security”.

Although legally effective, this left the commission’s New Zealand Supreme Court Justice Sir John White less than amused. He ordered Falvey and Sir Leonard to pay \$5000 in damages - still a cheap “election” by any standard.

Strictly speaking, the price was more if the coaching fees were taken into account. For, as Australia’s *Four Corners* revealed, Mara had based his election strategies on the advice of American consultants Business International, described by *Four Corners* and the *New York Times* (December 27, 1977) as subcontracting for the boys from Langley.

BI had been introduced to Mara via businessman Motibhal Patel, later to be named as having further CIA ties. If there were any doubts about BI’s CIA ties in Fiji, these were removed by the presence of BI consultant Dr Jeffrey Race, a CIA officer who had originally operated out of Malaysia. Dr Race, in fact, was the architect of Mara’s winning election “scenarios” - tactics which Justice White would describe as “morally repugnant”.

After his re-election, one of Mara’s first decrees was the removal of the nuclear ban - a decision made without any attempt at public consultation. Shortly afterwards, Fiji became the recipient of an annual payment of \$300,000 (or 60 times the cost of Koya’s defamation payment) from the US, granted for the purposes of a weapons standardisation programme.

Other pieces of silver were minted in the form of a \$US2.5 million non-military aid grant, making Fiji the largest beneficiary of US aid in

the region. Such non-military aid would in turn be managed by USAID's William E. Paupe (also known incorrectly as William E. Raupe), a veteran of USAID from the days when, in connection with Air America, the agency was associated with the CIA's Phoenix assassination programme.¹

Paupe's image as a CIA officer owes much to his involvement with British mercenary Graham Gibson - the two are reported to have helped in the training of Philippines dictator Ferdinand Marcos' Palace Guard (which also received Israeli assistance). His reputation as a spook grew within Fiji when on April 27 and 28, prior to the coup, he was alleged to have accompanied Mara to Honolulu, where Mara was suspected of having discussed or planned the possibility of a coup (more likely the Americans asked the Alliance what it would offer should the Bavadra problem suddenly "resolve itself").²

Paupe's alleged CIA ties would become the focus of claims that the CIA had engineered the coup following Bavadra's claim (acting on information thought to have been provided by Fijian unionist Jim Anthony) that Paupe had funnelled \$200,000 of CIA money into the militant Taukei nationalist movement, sworn enemies of the "Indian invaders". Bavadra's subsequent public statements on this matter proved to be a mistake, for when the allegation could not be proved, the media decided to treat the theory of CIA involvement in the coup as a conspiracy theory.³

Yet while the mystery \$200,000 could not be unearthed, a cheque did exist pointing to the close relationship between USAID and the Taukei movement. The cheque (no. 01274232) for \$25,000 was issued via the US Embassy in Suva, presented to the Bank of New Zealand in Suva (dated as being received on October 16th), and payable to the Minister for Rural Development, Apaisa Tora - a leading Taukei figure. It wasn't exactly a smouldering howitzer, but it was a smoking gun.

USAID would allege that the cheque was to pay for a craft and trading centre. The centre was never built - but Apaisa, around the time of the centre proposal, was able to build a new house. Materials for the centre would have cost about \$28,150 (according to the building invoices), including bathroom fittings - just \$3000 more than \$25,000, the maximum amount that could then be paid out by USAID in a single aid payment. Significantly, a letter from Paupe to Tora proposing that the

¹ *Shattered Coups*, R Robertson

² *Wellington Confidential*, June 1987

³ *WPR*, March 1987

centre be built is dated August 22nd, 1984, while the invoice for the materials is dated August 11th (detective work courtesy of *Wellington Pacific Report*).

The Taukeis' connections to Western intelligence in turn branched out not just to US intelligence but to Ratu Meli Vesikulua, another Taukei activist, and a former Sergeant Major in the British SAS, who had returned to Fiji not long before the first acts of violence erupted. His stepson in turn was a former soldier in the British Army who reportedly served with military intelligence. It has been alleged that Vesikulua was responsible for executing the riots by Suva gangs (tied to Veisamasom), and fire bombing that plagued Fiji in the lead up to the coup. There is no proof that this was the case but there is little doubt however that the fire bombings were carried out by the Taukeis, or that the riots were more organised than sporadic.

Other intelligence agencies, or perhaps more correctly individuals tied to such organisations, were discovered as the politics of the Fiji coup were scrutinised. In most cases such individuals seemed to be working in cooperation with multinationals rather than with the official sanction of their government. The seeds of such corporate-allied activity would be planted firmly in the lead-up to the re-election, in the ensuing criticism of the continued growth of government corruption during 1987, and the growing power of multinationals within Fiji.

Bavadra, though dramatically increasing his popular support, had put himself squarely in the firing line, Aquino-style, via his apparent willingness to take on such issues - specifically, his vocal consideration of nationalising Fiji's mining interests. Certainly Bavadra's interest in labour abuses, and the favourable tax concessions enjoyed by Emperor Mines, were causing Emperor to become nervous (as seen by the later discovery that the anti-Bavadra meetings arranged by the Taukeis had relied on transport provided by Emperor). Furthermore, only three days prior to the coup Barron Offshore Mining was reported as having brought in a shipment of Uzi submachineguns (*Time*, June 30th 1987).

Ironically, the Barron ship used had been purchased with funds provided by AusAID. The arrangements for the shipment were allegedly provided by Paul Freeman (more on him later) or Rob Kelly, an anti-union labour lobbyist with friends in the intelligence business.

Kelly is accused elsewhere of having provided weapons to the Taukeis, whose access to weapons Rabuka now happily concedes ("Rabuka says he's plot target", *The Dominion* February 17th, 1998). Again, the proof of these claims (in regards to Kelly) is not forthcoming, but it represents a fair indication of the individuals drawn to Fiji on the eve of the tragic

takeover. Kelly arrived in Fiji a year and a half before the coup, only to pack his bags and leave just *days* before it happened.¹

Despite the absence of Kelly, there were plenty of others left to ensure that the scent of outside influence remained a clear and present stench during the coup.

Despite the naivete of the media, considering that this era marked the height of Reaganomics, it is clear that the dictates of US policy (and thus the Western world's defence policy) could not have allowed any path other than the one they followed.

CINCPAC telex P0102087 July 83 and P0602027 January 83 testifies to both Mara's relation with CINCPAC and the significance with which the US views Fiji's anti-nuclear stance. Mara's June 22nd visit being to get Mara to "reopen Fijian ports to US NPW (nuclear powered warships)". Fiji's close, cooperative military relationships were, as CINCPAC telex (P110410Z October 79) states, a "means to an end".

Fiji is at the centre of major Pacific shipping routes, which are described by the US Navy as "the life vein of America". CINCPAC, whose sphere of command covers two-thirds of the world's surface, is at the sharp end of US defence policy, being the first to deploy in the event of global war (a perceived reality back then). The stakes were just too high to allow an Indian neutralist to bugger things up.²

Enter stage right Vernon Walters, US ambassador-at-large, the coup master himself. Walters' visit to Fiji would occur just three days prior to the coup (coinciding with the arrival of the Uzis). During his visit the old spy chose to spend the greater portion of his time in the company of Paupe - though, of course, the US would swear this had nothing to do with the coup. The official purpose of the visit was alternatively stated as being concerned with Fiji's UN role in Lebanon, or to warn the Pacific nations of the dangers of Libya. The Libyan threat would, in fact, be one of Rabuka's sadder attempts to justify the coup to the Qaddafi-obsessed Hawke government in Australia.³

In June 1988, coinciding with Fiji's rule by decree, Rabuka reported a Tom Clancy-like affair involving assassins, Libyan agents, face changes, and the implausible scenario that the Soviet Union was entrusting Libya with running a Soviet spy ring. This would turn out to be an updated version of a "Pacific Spies Weekly" (aka *Australian Penthouse*) article.

¹ *Wellington Confidential*, June 1987

² *WPR*, October 1989

³ *WPR*, November 1987, January 1988

Rabuka showed a spark of imagination when asked for proof, however. He did not reach for the tired “I can’t tell you because of national security” routine, but chose instead to dump the whole mess in the Governor-General’s lap. Ratu Sir Penaia Ganilau was, however, too embarrassed to even respond to lies so absurd that not even the “I Was an All Black’s Love Child” boys of INL would touch the story. On perusal, the rule of plausible denial holds true.

Walters was not to be caught with his hand up a puppet’s bottom – so to speak. Nevertheless, the buddy of Bechtel had a long string of deposed governments credited to his name, including Chile, Iran (involving Bechtel as a bit player) and Brazil, and involvement in the repeated attempted coups in Italy during the late 1970s and early 1980s. Walters had turned up in New Zealand in 1984, his visit coinciding with various members from the right wing of New Zealand politics becoming involved in Project Democracy, a global network of like-minded good ol’ boys initially set up (before greed kicked in) to provide funding to the Contras.

In Fiji Walters had met not just with Paupe, but with Wallace Tedford, CINCPAC’s man in Suva. CINCPAC’s presence in Fiji was something of a protocol mystery. The US Suva embassy had no official defence attache, such duties usually being attached instead to the US embassy in Wellington.¹

Wallace and Paupe were not alone - CBS would report as many as 11 CIA agents (though a more accurate title would be CIA-affiliated contractors) being present at the right-wing PDU conference (a standard Admiral Vasey production) which was to have been held on the day of the coup. The spooks referred to by CBS probably included PDU guests J Cox, cited as a member of the association of former intelligence officers (not unlike the commonwealth “Sub Rosa” alumni); David Roberts, formerly with Air America; Robert Delaney, W Hammond and William Wilson of the association of former intelligence officers; Peter Holt of the CIA (Indonesia ‘63, Cameroon ‘86, France ‘75-’76); Jim Russell, formerly of Air America; and John Walters, a former counter-intelligence officer.² Any of these men could have been the CIA officer who met with Mara and Rabuka (a Brethren lay minister) on a Sunday for the famous pre-coup golf match, first reported by New Zealand journalist David Robie.³

¹ *WPR*, April 1988

² *WPR*, August 1987

³ *Sydney Morning Herald*, 18 May, 1987

Other members in attendance at the PDU conference included Mara; Fijian Taukei Ah Koy; Malcolm Fraser; US Senator Robert Hill (allegedly a keen supporter of the Contras); Neil Brown, deputy leader of the Australian Liberal Party; Peter “the Libyans are coming” Coleman, editor of the right-wing magazine *Quadrant*; Sue Wood, president of the National Party (who would later defend Mara from allegations that he had been involved in the coup); former New Zealand deputy Prime Minister Brian Talboys, who had met with Walters in 1984; and Keith Shuette from the National Republic Institute for International Affairs.¹

Jim Anthony would further allege that General Singlaub, chairman of the World Anti-Communist League, had also been present on the day of the coup. This statement would be one of the longest nails in the coffin of the CIA coup theory, and cause many within the peace circle to turn against Anthony.² Yet it was one of the few cases in which Anthony seemed to be on to something - albeit exaggerated, but not without some truth.

Fiji had recently received a visit from a senior WACL VIP, Dr John Whitehall, vice-president of the US-based Christian Anti-Communist Crusade who had come to Fiji looking for evidence of a growing Soviet threat in the Pacific, while en route to the Hoover Institute’s “Red Orchestra”.³

Anthony’s most memorable moment, the essential coup de grace for the CIA-Fiji coup conspiracy theory, was his now-famous American mercenary plot, which alleged that the 10 masked men who accompanied Rabuka into the Fijian parliament were in fact black US and South African mercenaries, led by a Fijian officer.⁴ This claim was met with howls and hoots from both the right and the left, who agreed that this was ridiculous and as stupid as conspiracy theories get, and that one could easily spot the difference between a Fijian and an African. The probability of this being the case is indeed unlikely, the disbelief understandable. Yet there are number of points in this theory to be considered (if not necessarily accepted):

- 1) Anthony was not alone in this claim. Jack Terrell, who came to prominence during the Iran-Contra scandal as a former Contra

¹ *WPR*, July 1987

² *Wellington Confidential*, June 1987

³ *WPR*, August 1987

⁴ *Pacific Island Monthly*

mercenary¹, says four US C-130 Hercules transport planes were in Fiji around the time of the coup, while opposition MP Noori Dean told Max Watts from 2SER that a US C-130 carrying black American troops had landed unannounced and unhindered at Nadi airport on May 12th. Such landings, in fact, were not unknown at Nadi or any of Fiji's other ports or airports, where bribery-prone customs officer have a reputation for taking a dollar to look the other way. Watts further claimed that he was able to confirm a C130 as having landed on May 12 through his own sources at Nadi airport.²

- 2) When a soldier wearing full fatigues and a balaclava points a loaded weapon in your face while another threatens to blow your face off, the only thing you're likely to notice is the clenching of the bowels and how exceptionally large that gun is. Later on I will examine possible assassinations of PNG resistance fighters by either foreign troops or PNGDF soldiers specially trained in Phoenix-style killings by Commonwealth and/or US troops. Therefore, I won't go into further details, but in the argument that African-Americans would be easily distinguishable from Fijians it is significant that the source who sparked my PNG investigation, though a Commonwealth soldier, was distinctly Melanesian in appearance. In a similar vein, CASPER had been selected for infiltration of the Maori activist movement based not just on his ethical grounding but due to the lineage of his iwi. (*The Paradise Conspiracy* documents an SAS soldier being selected for Middle East operations due to his Lebanese appearance - a method duplicated by Israeli Saiyeret Matkal, with undercover operatives selected on the basis that they can operate in Arab regions without attracting suspicion.³) The 'Special' in Special Forces is not there without a reason.

- 3) Further, during the PNG coup it was discovered that Executive Outcome (a firm with ties to Emperor Mines through its

¹ Some researchers believe Terrell was actually a DIA agent with a mission to discredit the CIA – all part of the dog-eat-dog competition between US spy agencies.

² *Pacific Island Monthly*

³ *The Bulletin*, 4 March 1997

involvement in the PNG saga) would use black troops (ironically, former soldiers of the ANC).¹

- 4) While no US military aircraft showed up on official reports (I doubt they would have), from June 8th to the end of the month no fewer than eight US military C-130s visited Suva, compared with just one flight the month before. According to USIS, these aircraft were with the US troop ship Bellau Wood (capable of carrying 1900 troops) and the USS Mercy, a hospital ship. This was a blatant lie - if Owen Wilkes is correct (citing as his source Jane's Fighting Ships), neither of these ships is capable of landing a C-130.²
- 5) Neither the Bellau Wood or the Mercy satisfactorily explain the visit of two C-130s on June 8th, at Nadi and Nasouri respectively. In turn, the presence of a C-130 at Nasouri serves to further collaborate Dean's story, and thus Anthony's tale, as being at least partially correct.
- 6) Dean further reported that on June 8th Nasouri was visited by C-130s carrying "about" 50 US military personnel, who unloaded specific equipment. The USIS handouts state that at Nadi (the first port of call) and Nasouri the C-130s - "USS Mercy" support aircraft - landed to uplift 30 medical students and staff to transport them to Papua New Guinea. I'll eat a copy of this book with relish (the chutney, as opposed to joy) if thirty names can be provided from Fiji's medical personnel as having made that trip. Why? Because I doubt they exist. According to air force officer testimony during Operation Golden Fleece in 1989, picking up unscheduled "doctors" in Micronesia and Melanesia is a euphemism for flights involving special forces.³
- 7) The June 20-22nd visit by three C-130s from the Bellau Wood, in connection with the "well-publicised" injury of a single sailor, stretches belief to beyond the realm of reality. Aside from the technical impossibility of this exercise, why would three C-130s be required to evacuate a single sailor with a

¹ *WPR*, Nov/Dec 1987

² *Ibid*

³ *Ibid*, and *Pacific Island Monthly*

broken leg when both the Bellau Wood and the Mercy - a hospital ship - would have been more than adequate. Take this and Royal New Zealand Navy reports that there were other US warships in the region, and a Grenada scenario starts to form - in case of plan A (bloodless coup) failing, please break glass for Plan B (intervention “on behalf of the local government” against “Communist insurgency”). This is of course speculation, but it is relevant thinking, with precedents established by both the US and Soviet governments of the time, which no one considered before dismissing Anthony - dismissals made on the grounds that the facts just did not fit a comfortable perception.

The “we’re the experts” syndrome could be seen creeping in when *Wellington Pacific Report* slammed Jack Terrell’s supporting testimony, collected from his mercenary contacts in the Philippines, as being “indeed rubbish”.¹ Terrell admittedly had no hands-on experience of the Fiji coup, but neither did *Wellington Pacific Report*. Terrell was owed more credit in light of his role in the “Fat Lady” investigation, his contacts with the mercenary community, and his work in the Philippines, all of which gave him as much right to the title “investigator” as *Wellington Pacific Report*.

WPR was, in turn, overlooking its own efforts in dismissing US C-130s covertly visiting Nadi airport - an earlier report by the magazine had stated that Rabuka had met with five representatives of the New York-based Institute for Democracy, a WACL-affiliated organisation, before the coup. The five had promised to represent Rabuka’s interests in Washington. The meeting was reported as occurring in the duty-free area of Nadi airport, which was closed off for the purpose (according to *WPR*, the duty-free area “is controlled by close associates of Ratu Mara and general fixer Mahendra Patel, the man who brought US firm Business International Ltd into Fiji.”). Elsewhere, the same area has been described as being used by CIA operatives to meet Taukei representatives.²

A further point of verification for Anthony would come from former US attorney under Kennedy, Ramsey Clarke - a man under no illusions as to what certain elements within the intelligence and military community are capable of. Clarke, who is not without resources and has

¹ *WPR*, November 1987

² *Wellington Confidential*, June 1987; *WPR*, May 1988; *Sydney Morning Herald*, May 1988

an impressive list of contacts, told protesters and journalists at Subic Bay that mercenaries had been involved in the coup, specifically stating: “One plane came from Hicken air base in Hawaii, the other from Clark air base (home to the 23rd Special Operations Wing, the covert operations arm of the US Air Force)”.

In fact, in the final analysis there are more points in favour of considering Anthony’s mercenary proposal than there is evidence to dismiss it out of hand. The primary argument against Anthony has been that the soldiers did not speak with American accents. Noor initially pointed out that the soldiers did not speak at all, using hand signals instead. However, he later contradicted himself (at the same time, he began to distance himself from the mercenary claims), stating that a soldier said: “Don’t move or I’ll blow you away”.

Yet regardless of the change in Noor’s political outlook, he is correct - the soldiers did speak. Fiji Hansard (if genuine) records during parliament’s seizure cite Rabuka excitedly yelling in Fijian “Dou raci koya na tura ga ni ovisa” (“Look, the inspector, he’s getting away”). History dictates that someone understood what he was saying.¹

The only problem with this argument is that throughout the takeover, no more than one soldier can ever be found to be talking, with the rest acting on this soldier’s commands. Is it possible that the speaker may have been the same person at all times? The answer is not a definite yes - therefore it must remain a possibility for consideration, and not be dismissed just because it goes against personal sensibilities.

In a similar vein of logic, there is nothing to suggest that Rabuka’s comments were not addressed at a specific individual (or at least initially acted on by that individual) - perhaps the Fijian captain, rather than a general group. Perhaps the most significant point, however, is why the 10 “men of faith” have never been named as “heroes of the revolution”. Why are their names not common knowledge today? These points are not raised as evidence for prosecution, but indicate the lack of objective investigation that occurred, on all sides, during a confusing situation.

In 1987, as the second election approached, government corruption continued to accelerate, and affairs such as the failure to prosecute the Alliance’s John Veisamasamu for tax fraud continued to provide reasons for Labour’s increasing popular support. Bavadra’s reputation as the champion of the underdog grew when the future Prime Minister began to take a personal interest in the grievances of the Fijian owners

¹ *Fiji: Politics of Illusion*

of freehold land at Nasomo, adjoining the Vatukoula gold mines managed by Emperor Mining.

The incident would reveal the dark side of Maori nationalism, via the support Rabuka received from local indigenous activists, which the New Zealand press (specifically the tabloids) took great delight in publicising. There was one particular incident in which a renowned activist reportedly accused Indians of being lazy in a lecture delivered in Auckland. This activist, and the leaders of Pacific nations, perhaps would have been wiser had they been in the lecture room with a bunch of first-year political science students when Syd Jackson said in a warning tone to the young, dumb and intellectually pretentious:

“Racism is not about the colour of skin; racism is about economics”.

CHAPTER NINE

A FUNNY THING HAPPENED ON THE WAY TO THE COUP

“When you’ve heard lie upon lie, it can hardly be a question of why” –
Billy Joel, *A Matter of Trust*

It was not just in the first coup that evidence of foreign intervention could be found. The clues were prolific, causing one to consider not only to what extent had the foreign Orcs of Sauron and Sauruman played in the ousting of Bavadra, but what part had their lesser servants, the Sackville Bagginses from New Zealand, undertaken in hosting this teatime of the long dark soul. Such questions would centre around one particularly noxious goblin - Paul Freeman, a man truly in the Gollum mould – to continue this *Lord of the Rings* analogy.

Freeman, with a connection to the 1975 Sutch Spy Scandal, had come to Fiji from New Zealand in 1977 helping to establish External Trade Organisation (ETO) - an international company with offices in Europe, China, the USA, and the Solomons (who would twice declare Freeman persona non grata), Tonga, Australia, and East Asia.

Freeman’s partners at ETO included John Falvey - one of the original architects of Ratu Mara’s dominant Alliance party, Solone Momoivalu former Alliance cabinet minister under Ratu Mara, Rupini Tuiloma Colonel Rabuka’s nephew, John Victor Evans, and the late Sir Laurie Francis, former high commissioner to Australia under Muldoon.

In 1987 SBS’s Wendy Bacon alluded to ETO being a front for the CIA - a claim made following an interview with Freeman and former staff of ETO. Bacon subsequently detailed how, on September 14th, the day before the second coup, a top level meeting had been held in the Suva office attended by Colonel Pio Wong, head of Fijian military intelligence, Captain Samuela Matai (rumoured to have been the captain in charge of the ten men in the first coup), Paul McKenna - a former US air force colonel, and Richard Cyrus recently retired from the US Navy Seals.

Cyrus in fact had been the vice president of ETO, for nearly a year, while still serving as member of the famous covert operation unit. Bacon’s primary source was David Watson, ETO’s project officer, who had quit ETO in protest (so he claims) at ETO’s use as a “front for clandestine activities”.¹

¹ *NZ Listener*, 26 December, 1987

It is significant, however before siding with Bacon's total view of events, to note the eagerness with which Freeman conveyed to the Australian journalist, in subsequent interviews, ETO's CIA status. Unlikely behaviour for any genuine agency operation, excluding those where the agency has (as it has on numerous occasions) become involved in a relationship with individuals of a sociopathic profile.

It's more probable, to strike middle ground, that Freeman and his associates were the equivalent of mercenaries who at times may have been utilised by official intelligence agencies, including the CIA, or its network of former OSS agents (set up by Casey during his directorship of the CIA) as an extension of the ultra right wing WACL movement.

Nevertheless it seems that ETO did have at least a degree of contact with American intelligence through USAID's William Paupe.

Paupe, following Bacon's interview, had attempted to distance himself from ETO, yet authenticity of the ties was established via USAID funding of ETO in a venture, which on paper, centred around a coconut milk feasibility study.¹

ETO's role as coconut milk specialist was not unlike Apai's culture centre, subsequently producing rumours that the deal had been a front for the transfers of funds with Swedish gun runners. Interestingly this rumour arose prior to the Bofor (BCCI related) arms scandal.

ETO's association with USAID further extended to a timber venture located in Seattle. In this affair the USAID officer was Gerry Anderson, yet another individual alleged to be a CIA officer. Seattle was also the home of Bob McIntosh who, like Freeman, was a self-confessed CIA agent (later to reappear via his involvement in the Maori Loans affair).

McIntosh proves as unhelpful as Freeman in his disregard of CIA protocol, happily providing testimony to the media of Cyrus' active relations with US intelligence. The plot thickens.

It was not the first time Freeman had hit the headlines.

Reputedly a former New Zealand soldier, Freeman first gained notoriety for mischief in 1975, in what is regarded by some as simply party politics at its dirtiest, and by others as a CIA-supported attempt to destabilise the then Labour government.

Freeman leaked a police report, obtained from SIS officer Rohan Jays, on what right-wing newspapers like *Truth* called a socialist conspiracy started by Norman Kirk (by this time the late Norman Kirk, following his "sudden illness", as all writers refer to his death).

¹ Ibid

Freeman had leaked this material to a member of the “conspiracy”, Bill Rowling, before the affair was in turn leaked to the press during the lead-up to the general election. The primary angle alluded to by the conservative newspapers, in a conservative era, was the secretive nature of the group, and that its activities were dubious enough to warrant interest from both the police and the SIS.

Few reported how this secret group’s meetings were conducted in a public coffee house, or expounded on the significance of the group’s most radical concept - the nationalisation of New Zealand’s banks and insurance companies, and the amalgamation of the BNZ and the Reserve Bank (a concept which the group apparently collectively rejected following Kirk’s death and the emergence of Rowling, former soldier and future ambassador to the US, as the dominant figure in a changing Labour party).

The contents of the Freeman report were never fully exposed, but it is believed that the report contained embarrassing information concerning one of the members of Kirk’s think tank, which consisted of Gerald O’Brien (the source of the information), Federation of Labour vice-president Sir Tom Skinner, Sir Henry Kelliher, William Sutch, and Rowling.

Among these individuals the prime candidate for embarrassment was Sutch. A conspiracy theory formed due to Sutch’s other claim to fame - earlier that year he had the honour of being the first New Zealander to be prosecuted for espionage.

There in fact may have been nothing truly damaging in the report, and the whole operation (including Sutch’s prosecution) may have been, as some contend, a carefully orchestrated campaign to smear Labour with the Communist brush in the lead-up to the election (sound familiar?). Not a bad theory, in light of the fact that this was the same year that the subtle lads at National’s advertising agency (led by Michael Wall) came up with the John Wayne-like posters depicting a vote for Labour as being the equivalent as a vote for the invasion of New Zealand by the Warsaw Pact.

Whether Freeman was an opportunist, an agent of the SIS (the SIS would later strenuously campaign to prevent him being granted a private investigator’s licence), an agent of a corporation (which have their own intelligence networks), the CIA (whom Freeman continually boasted an association with), the KGB, or even Mossad, or affiliated with a member of the National Party with whom he had previously had dealings in matters relating to real estate, has been the subject of a long

debate which, as Warren Berryman admits, has seen the consumption of many late nights and alcoholic beverages.

It's an academic point, though, and depends on whichever conspiracy theory is advocated. In real life, National won the election, and big business was happy with the end being achieved - so who gives a monkey's who Freeman was specifically working for? The nuts and bolts are unlikely to ever be put together correctly - which is fine, as it changes the consequences not one iota.

Yet an important trend can be discovered when examining Freeman in connection with the accusations and resulting smear campaign against Sutch. The case was so weak that some speculate that the only reason it was ever initiated was due to the personal psychological problems of the then director of the imperilled SIS, Brigadier William Gilbert.

Sutch, in Gilbert's Kitchener-like eyes, had the perfect profile - a renowned intellectual, twice accused of leaking information to "Communists" - once during the Imperial Conference, and once during a posting to the UN in New York. At the UN Sutch had, as has been repeatedly highlighted, been the subject of FBI surveillance.

What many commentators forget to take into account is that in this era the FBI was dominated by its legendary director J Edgar Hoover (a man who had sent documents to Nazi Germany concerning "Jews and Jewish types"). Hoover, using Gilbertian logic, saw the UN as part of his Communist conspiracy theory, and the majority of UN delegates and staff were under the watch of his agents - especially if, like Sutch, they showed signs of advocating the Utopian principals under which the UN had been set up.

Again, historians became excited by the discovery that the FBI passed information on Sutch to the SIS (an organisation sharing a common failure with the FBI, the doctrine of the "us and them" syndrome). Yet the probability remains high that Sutch did leak material on at least two of the occasions he was accused of having done so. It becomes difficult to label him a traitor when the circumstances of these events is related, however.

The first accusation came following the leaking of material from the Imperial Conference of 1936 to a "Communist" newspaper, with suspicion falling on Sutch due to his colonial status, and the fact that he had "embarrassed" himself by attending a march in London protesting against Fascism in Spain (which shoots down half of Michael Parker's insinuations, made in his book *SIS*). Further suspicion was cast by the fact that Sutch had dared to visit the Soviet Union in 1932.

It is relevant to point out, for those who consider this sufficient proof, that the conference had decided that in the event of a war, substantial naval reinforcements “must depend on resources and on the state of war in the European theatre”.

In other words, New Zealand and Australia could go and fly a kite, but first they should kindly hand over their virgins for ritual sacrifice. The possibility of a war was seen as remote, dependent only on Britain failing to recognise the goodwill of Hitler, especially his role in preventing the spread of Communism; and England’s continued association with French policy, the number one factor preventing the rearmament of Germany - a position considered foolish by the inbreds of Westminster.

However, as history records, Mother Britannia did not know better, and peace was not won “in our time” by allowing Fascism superior firepower (though it can be assured that this error helped ensure the wealth of the greater houses within Britain’s military industry - again).

The second accusation against Sutch was the leak centred around the disclosure of the American plan to invade Guatemala to halt “Communism” - an action resulting in the overthrow of a democratically-elected government via the hand of the CIA and ITT (which, along with America’s General Motors and Standard Oil, had a friendship with Hitler which extended into World War 2).

The seeds of the coup had been planted by multinational banana giant United Fruit, which was going bananas, so to speak, about the decision by Guatemala’s socialist (pronounced “com-mu-nist” in American) government to nationalise 200,000 acres of unused land owned by the company, to be distributed to the native Indian peasants for farming.

Today Guatemala has one of the worst golf courses in the world (to quote the fictional CIA agent Ched in the movie *Edge of Darkness*: “Bodies keep turning up in the sand pits and you need air support to play the rough”), human rights abuses are rife, and only Coca-Cola is more common than the Chevy pickup-driving, Nike T-shirt-wearing goons of the death squads, due to the outrageous levels of labor abuse. The CIA’s ongoing role in such atrocities was proved to be current as late as 1995, when a US Senate subcommittee discovered that the CIA (with suspected NSA involvement) was involved in the assassination of political dissenters within Guatemala, despite the rulings of the Church Committee, the findings of the subcommittee on assassinations, and the Boland Act.

At Sutch’s trial, one of the few details to be reported was his conversation with staff at the USSR’s New Zealand embassy (who were

probably KGB) concerning the growth of Zionism. What Sutch actually said, and the context of the conversation, were not reported, but the insinuation was clear - Sutch was an anti-Semite. However, Zionism in practice has little to do with the humanitarian principles of Judaism. Apart from Orthodox Judaism's own distaste for Zionism, the political nature of Zionism is underlined by the faith of one of its most renowned contemporary advocates - David Ben-Gurion, a devout atheist.

Ben-Gurion's own definition saw Zionism as a form of socialism, operating on a model in which Israel represented one of ten geographic spheres of influence, drawn up on geopolitical, cultural and racial boundaries and operating under a central governing body - a Leninist form of socialism, not dissimilar to the format advocated by major banks and multinationals. You would swear it sounds like the definition of Communism, even if economists insist on calling it "globalism" (then again, the number of capitalism-hating students who end up working for banks is amazing).

The military nature of Zionism is highlighted by the discovery of dispatches from the Irgun Stern, the founding fathers of modern Israel, found by Allied forces in the German Embassy in Turkey. These read: "...the NMO (National Military Order, the English translation of Irgun Stern) are well acquainted with the goodwill of the Third Reich". The rest of the dispatch is sickening and incredible, in light of what was happening in Europe at this time. While the Allies knew of Auschwitz by 1941, the wider world had been blissfully ignorant of the deadliness of Third Reich racism. The exception to this was the Jews, who could not ignore it - in many cases, the experience was first-hand. Yet Zionism, in its nationalist fanaticism, felt it could make a pact with the devil if the devil would rid its promised land of the British (who, as such individuals as Lord Halifax demonstrated, were not without anti-Jewish feelings).

Israeli Prime Minister Yitzhak Shamir, one of the original Stern Gang leaders, even offered the services of Jewish Zionist troops to help the Nazis fight Britain, if Hitler would agree to let Jews in the concentration camps migrate to Palestine after the war.

In the turbulence of Israeli politics after the country won independence from Britain, Shamir became the head of Mossad. Prime Minister David Ben-Gurion was quoted as saying "If a terrorist, let him be my terrorist."

At times, in the pursuit of power, the militants would turn on each other - evolving, as is the nature of militancy, into a collective dominated by those with the greatest will to be ruthless. Today much of the Israeli Government, the Knesset, is controlled by former

commanders of the Irgun Stern, and their commitment to nationalistic principals continues - as illustrated by their willingness to work alongside elements such as the World Anti-Communist League, and their close relationships with apartheid-era South Africa.

There is little doubt that much of Israel's intelligence and military complex is controlled by such elements, and subsequently it is unlikely that Israel will ever find lasting peace with either the Palestinians or its Arab neighbours. The issue is not religion - the problem is the justification of greed and the violence of fear.

In 1975, following several near-Armageddons in the Middle East, the dangers of the NMO old boys' club and Israel's unwavering loyalty to an economy based on military industrialism were clear, and one wonders how a man of Sutch's intelligence would have reacted to Zionism. Perhaps he had fallen prey to the distasteful 'Zionist conspiracy theory' (which is simply thinly disguised anti-Semitic tripe) - unlikely, but we were never told.

The propaganda of the likes of Parker's SIS is as dangerous as the scum who yell "Sieg heil" - the truth unwillingly bends itself to simple answers or to rigid principles. Yet without exception, those who challenge the fixed concepts of a society will be branded subversives, according to the flavour of the day. It does not matter what the title is, as long as society recognises it as a symbol (such as a yellow star) that this person is not a patriot - that they are an enemy of the state, a danger to your way of life, "one of them".

Sutch was "one of them" - Freeman was not, but whatever he was, he was someone to whom the dirt never seemed to stick, no matter how filthy he got.

So although doubt exists about who Freeman was actually representing, this doesn't extend to the fact that Freeman had indeed meddled in the politics of the Fijian coups.

To begin with, Freeman's role included the interrogation of prisoners, during at least the second coup. Freeman's direct participation was further highlighted via his behaviour on the night of the coup. During a dinner with Sir Laurie Francis, at Suva's Travelodge, Freeman drew attention to himself by "giving directions to the military who had occupied the hotel..."

Hours later Freeman left Francis, and drove off down Suva's deserted streets, immune to the curfew. An action which made sense given that Freeman had been commissioned as an officer in the Fijian army, being

one of the semi-autonomous individuals who would act as intelligence advisers to Rabuka.¹

How Freeman won this boon isn't clear, if speculation has to be excluded. But if we allow ourselves to wonder, understanding that we are now on dangerous ground, consider the following: The most influential role Freeman would play in Fiji was his part as the liaison officer for a \$4 million arms deal between Israel and Fiji.²

The deal itself was poignant in that it underlined the tension running between the plotters themselves. In Singapore, where the deal had been secured, police were called to a hotel following a punch up between Taukei members of the Fijian military, led by Wong, and affiliates of Ratu Mara (also present at the Singapore deal). The scrap was over where, in Fiji, the Israeli weapons would end up: Taukei Suva, or the Western home of the dominant tribes of Ratu Mara.³

In the end the military won and the weapons were delivered to Suva in a deal consummated by Freeman's return to Nadi airport with two containers which Customs chose not to search. Freeman's relations to the Israeli's arms dealers caused more speculation that it was Freeman who had helped to arrange the shipment of Uzis to Fiji that arrived three days before the first coup.

Freeman, however, was not the only one in Fiji to have Israeli contacts, or to have the ability to procure arms. In June 1988, Australian Customs discovered 12,000 kilos of arms described as Czechoslovakian, Russian, and some Arab weapons of "poor quality", destined for Fiji. The Darling Harbour weapons, initially reported as originating from communist North Yemen, via Sri Lanka and Singapore, were later found to have originated from Pakistan shipped via Quintex Tricon, a subsidiary of the Saudi arms dealer Adnan Khashoggi.⁴

Quintex was in fact the same firm which had shipped weapons from Israel to Iran during the weapons for hostage affair.⁵ Khashoggi, a "close" friend of Mara's, to further stir the conspiracy pot was recorded as having been in Fiji just weeks before the coup.

¹ Ibid

² *Guns of Lautoka*, Christopher Harder

³ Ibid

⁴ *Treason At Ten, Shattered Coups, Guns of Lautoka*, and *Politics of Illusion* all give varying accounts of the specific weapons and quantity. The 12,000 kilo figure is taken from *Politics of Illusion*.

⁵ *Guns of Lautoka*

An incorrect report, sparked off by Khashoggi's private plane having landed in Nadi to delivering his lieutenant the Swami Maharaj, known as the 'Swami of Iran much' due to his leading role in financing the Contra weapons through Canadian investors, on Khashoggi's behalf.¹ Khashoggi, regardless of the lack of his direct presence, was well known to the Pacific community.

Khashoggi's Pacific highlights include his involvement in the laundering of Marcos' wealth, and later the plan to reinstate Marcos via an invasion launched from Tonga, whose own royal family were also well-disposed to the colourful merchant of death.² Khashoggi's interest in the region sprang probably in part from his establishment of offshore accounts in Pacific tax havens, the means of financing the sensitive sale of French arms to the ruler of South Yemen and the rebels in North Yemen, on behalf of the Saudi government in the sixties.

Khashoggi reportedly banked in Vanuatu, and certainly the Cook Islands, where his interest reached beyond 'peekaboo banking' when with the Cook Island's government, and an unidentified New Zealander, he became partners in the Cook Island's national shipping line. A company bearing the Triad name has a physical presence on the Cooks – its logo on the side of oil tanks. Triad Group is one of Khashoggi's prime investment vehicles.

Khashoggi's Pacific investments also extended to his partnership with Canadians David Gilmour and Budapest born Peter Munk in the Travelodge, a subsidiary of Southern Pacific Properties Ltd, a hotel chain which spans the globe.³

There was another coincidence in the Darling Harbour weapons-smuggling saga: the shipping line Sofrana Unilines (Australia) Ltd, a division of Carpenters Shipping, using a vessel named the Captain Cook III, was reported (*New Zealand Herald* 31st July, 7 August 1988) at the centre of an NZ\$200 million buying spree involving a foreign consortium headed by then US Congressman Fred Eckett, the man who had introduced Mara to CINCPAC, formerly US ambassador to Fiji during the coup.

By chance, yet again, Carpenters acted as the agent for one Pacific Express Line (who operated a service between Australia and Fiji, which called at Vanuatu and Noumea), though its similarity to the NZ air venture of the same name appears in this case to have been a genuine

¹ *Wellington Confidential*, June 1987

² *The Arms Bazaar*, Anthony Sampson

³ *Khashoggi*

coincidence, unlike Eckett's ties to the WACL or the Libertarian movement.¹

Mystery aside, all parties agree that the centre of this affair was Mohammed Kahan, a Fijian Indian with a history of petty crime, and a habit of recording details concerning Israel in his diary. Controversy however re-emerges following the involvement of Kahan in the Darling Harbour affair. Specifically, had Australian intelligence allowed Kahan to escape following the discovery of the Darling cache. Suspicions about the Darling Harbour affair further escalated following *The Australian's* claim that the Darling Harbour cache had been destroyed, allegedly so that the registration of the weapons could not be traced, for reasons uncited.²

Such claims remained, as per usual, speculation until the inquiry into the collapse of the Victorian division of the Australian National Safety Council due to embezzlement by its director Jonathan Freidrich, an individual rumoured to have been in the employment of US intelligence who, like Freeman, played a large part in fuelling such rumours himself.

The VNCSA inquiry, however, remains illuminating.

Mr Ruddock: "Assume that you have a cable which alleges there is an Australian organisation VNCSA, involved in arms shipments to Fiji. What would you do with it?"

Mr J R Dick (Acting Assistant Secretary, Security Division): "If a cable came to me?"

Mr Ruddock: "Yes it has arrived on your desk today, it is here."

Mr Dick: "I would normally, in those circumstances, refer the matter for investigation to the investigating authority, which would be the Australian Federal Police."

Mr Ruddock: You got a cable. It was sent to the Attorney General's Department (the parent office for the Australian Security Intelligence Organisation, a client of VNCSA in the testing of surveillance equipment) we were told that on evidence today on oath, by foreign affairs, what happened to it?"

¹ *WPR*, August 1987; *Guns of Lautoka*, Christopher Harder

² *Fiji: Politics of Illusion*

Mr Dick: “I have no answer for that...”¹

Strangely while Friedrich was willing to boast of his CIA status, he was less keen to expose the role of yet another VNCSA client, Para Safety, in arms shipments. In fact in *Iago*, Friedrich’s memoirs, his attitude to Para Safety can be described as protective. Yet Para Safety was caught by the intrepid Wendy Bacon attempting to sell \$4.7 million in small arms to Fiji via Colonel Pio Wong, whose nephew Ben Kotobalavu was an employee of Para Safety. The affair is bonafide in that Para Safety admitted grudgingly that the order, in the hand writing of its director Len Crowther, was in fact genuine.²

Genuine is a word unlikely to be used in describing the documents found on Kahan when detained in London. These specifically included letters from the late Bavadra to the Tamil Tigers, the PLO, and Libya asking for the help, via the procurement of weapons, in deposing Rabuka’s government. Kahan, in jail, would tell controversial Auckland lawyer Christopher Harder that these letters were forgeries. Kahan further implicated those responsible as Wong, Patel, and Johnny Veisamasama. The latter was never able to comment on the matter for, on the day before he was due to appear in front of a Royal Commission in Suva to testify on the matter, he accidentally shot himself with a .22, James Bond style, pen gun of the variety made in Lebanon.³

The authenticity of Kahan’s claims, or their lack of it, again cannot be checked as the specific documents and the rest of Kahan’s luggage, despite laws to the contrary, were sent on to Fiji *before* it had been decided if Kahan would be extradited to Fiji to face trial. As it turns out, he wasn’t extradited and the documents never emerged again. It is interesting, though, that Kahan received no less than three visits from Ratu Epeli Nailatikau – Rabuka’s former boss and Fiji’s ambassador to London during the Rabuka regime.

A further point to ponder in this case full of questions without answers, is that the cache of “poor quality” weapons discovered in Australia amounted to only 1/3 of the shipment. To this day the other 2/3 has never been accounted for. The 1/3 however served their purpose and allowed Rabuka to rule by decree making “rumours” of a third coup redundant. Rule by the gun had become tradition.

¹ *Codename: Iago*, Jonathan Friedrich

² *WPR*, February 1988

³ *Guns of Lautoka*, Christopher Harder, Sunshine Press 1988

Yet it was not just in the region of covert arms that Fiji and Israel could be found in the same sentence. In October 1987 the international press announced that Rabuka was receiving help from Israel in surveillance and intelligence work on dissidents (including training in interrogation methods).

The presence of Israeli security advisers was, in itself, not a new phenomenon to the Pacific. Israeli guns for hire could be found in the Philippines, where with British mercenaries they had helped train Marcos' palace guards, and in South America where the exploits of Yair Klein's Spearhead were notorious.¹

In South America Klein had gone, in his words, "to train the farmers". Training which included some rather exotic farming equipment, according to a document signed March 31st 1986 by Yitzhak Rabin, the then Israeli Defence Minister.

Rabin gave Spearhead 'permission for the "export of military know-how and defence equipment" (Andrew and Leslie Cockburn, *Dangerous Liaison*, Harper Perennial 1992) - weapons dispatched by the Israeli Ministry of Defence in sealed containers labelled "machine parts".

As for the "farmers", it seems they were heavily into cash cropping. Spearhead's clients included the Medellin cocaine cartel and, through their close involvement with Noriega's right hand man Harari in Costa Rica, BCCI.

When not dealing with drug dealers, Spearhead elected to train the government death squads and the ranchers (sympathetic to the drug trade) in Guatemala, Colombia and Honduras, using Israeli weapons sold with approval from the state of Israel. Spearhead in turn trained cartel hit squads, teaming up with British mercenaries, former SAS soldiers - the most well known being David Tomkins and Peter MacCleese, veterans of the Rhodesian special forces.

It was from involvement with such killers that Klein would become wanted in Colombia (whose own secret police consider Klein to be an active member of Mossad) for his part in the assassination of Presidential candidate Luis Carlos Galan.

Arms, atrocities, England, and Israel mixed again in Sri Lanka when the British security firm KMS, closely affiliated to the British Foreign Office, had to recall sixty of its troops following the public discovery that its men were carrying out assassinations and torture on behalf of their Sri Lankan clients.²

¹ *Dangerous Liaisons*, Andrew & Leslie Cockburn

² *Time*, 17 December, 1989

In Sri Lanka the principal liaison (at least for Israeli weapons) was reported as being Ravi Wethasinghe, a local businessman and arms dealer. If you want to get a feel for the double standards that operate at the top of the society tree, try this for size: Irish ‘refugee’ Danny Butler was expelled from New Zealand for allegedly jumping bail on a charge of possessing two shotgun cartridges in Belfast. Wethasinghe was *convicted* in London in 1989 of possessing *ninety-six rounds* of ammunition and a high calibre combat rifle illegally, yet two weeks later he was a guest at a Buckingham Palace garden party, mingling with royalty.¹

Ravi, using Osprey Airlines, flew in Mark Thatcher (who in turn had ties to the world of mercenaries via his business dealings with Saladin Holdings), son of the Iron Lady, Margaret Thatcher, to Sri Lanka in 1992.

It was a business venture which Paul Halloran and Mark Hollingsworth (*Thatcher’s Gold*) describe as so sensitive that Osprey’s pilots were told “this trip was ‘highly confidential’ and ordered not to tell any one who they were picking up - if asked they should say ‘an engineer’.”

For the next four days, to the chagrin of local diplomats who sighted Thatcher’s brat, Mark was introduced to the senior military figures of the Sri Lankan army.

As one Conservative MP, also in Sri Lanka at the time, noted: “What the hell was that man doing there? I don’t want to be associated with him.”

It wasn’t the first time Mark’s activities had caused worries for the British Government. Thatcher junior has become embroiled in controversy over arms deals in Malaysia in connection with his partner Stephen Tipping, an English arms dealer, in the highly documented Saudi Arms deal, and in Argentina where his partner Leon Walger was later convicted of Cocaine trafficking.

Crimes and drugs again shadowed Thatcher’s business dealings when he considered, in the summer of 1990, a plan that would have seen Lady Thatcher become the president of BCCI, the bank that was funnelling money for arms to the Abu Nidal terrorist organisation through its prestigious Sloane St branch.

In 1987 BCCI’s black network is recorded as having shipped guns and drugs though Fiji’s Nadi airport on route to and from Pakistan (guns to, drugs from).

¹ *Thatcher’s Gold*

In the same period, Israel's Fijian ties were becoming closer with the establishment of an embassy in Fiji. The desire for closer relations had been signalled previously during a visit by Chaim Hertzog, the former head of Israeli military intelligence, in November 1986.

Hertzog's visit led to Fiji's considerable UN forces in Lebanon receiving "agricultural" training in Israel, and the establishment of an agricultural adviser in Fiji who stayed "until shortly after" the May 14th coup in 1987.¹ Strangely, Israel's own Australian embassy stated that it knew of no agricultural scheme to Fiji at the timing of the claim. This minor glitch in the cover story was corrected, however, in July 1987 when official agricultural aid was offered and an Israeli bank official was publicly appointed to the Bank of Fiji. The bank's financial adviser (whom Bavadra once accused of corruption) was named as Jim Ah Hoy, the proconsul to Israel.²

In a similar vein Major Isikeli Mataitonga, of Fijian Military Intelligence, the author of *Money laundering in the South Pacific: The Challenge We Must Face Together* (Vol 4 No. 1 Fiji Law Talk 3, 1993), was appointed a director of the Fijian Commercial Bank. Mataitonga had been present, along with Mara and Pio, with Freeman on the famed arms deal.

Presumably the advice of such worldly men, and the advice of their Israeli friends, was not too hot. Because in 1995, the original director having left Fiji after refusing to credit Rabuka's government with the finance required to purchase new Israeli weapons, the bank collapsed to the tune of up to \$200 million, amidst allegations of, surprise surprise, corruption.

Faced with such accusations the Fijian government attempted to muzzle the press. When that didn't work Ah Hoy, then Fiji's Finance Minister, reached for the former director of the New Zealand Serious Fraud Office Chas Sturt, well known to the Fijian old boys network, and infamously fresh from the Winebox inquiry.

Ah Hoy, however, had not hired Sturt to investigate *actual* fraud, but simply to write a report on what should be done to investigate the situation. Ah Hoy was choosing to downplay it despite the howls of whistle blowers from within Fiji's own law enforcement and Customs (voiced in a number of articles in *Pacific Island Monthly*) agencies. The informants were claiming corruption was rife within Fiji's top echelon

¹ *Auckland Sun*, October 22, 1987

² *Free Palestine*

who, according to the protesters, were highly active in the world of organised drug trafficking and money laundering.¹

The findings of Sturt's report were simple: do nothing and corruption will explode. Sturt suggested that the state arm itself with tough new powers and create a new, elite office of criminal investigators and accountants.

Sturt's report, however reminiscent of his glory days at the Serious Fraud Office, seemed to consider little of what the *Pacific Island Monthly* would describe as the "enormous political and civil liberty ramifications", especially if such an organisation was controlled from the very outset by the very elements it was set up to combat.

Hong Kong's police force, in its final decade under British rule, was controlled by organised crime. Which is why some Triad members were able to emigrate so easily to New Zealand: our Immigration Department was relying on Hong Kong police to vet potential immigrants, so the crime syndicates had carte blanche to export whoever they wanted to New Zealand. Sir Geoffrey Palmer, as Justice Minister one of the brains behind this scheme, naively assured New Zealanders in a radio interview in 1988 that there was no chance of criminals slipping into New Zealand, because of the assistance from Hong Kong authorities in weeding out undesirables.

Of course, this would be the same Geoffrey Palmer whose Labour Government hired a stooge of Hong Kong organised crime, Warwick Reid, to run New Zealand's Serious Fraud Office.

One can't really draw definite conclusions from Fiji other than to say something funny had happened on the way to the coup, but it wasn't something to laugh at. When Rabuka initiated the first coup in 1987, he claimed that the reason for doing so had been his wish to avoid greater bloodshed, in effect he'd been attempting to head the vigilante posse off at the pass. In Rabuka's mind this is probably true (and in principle not without some truth), yet by such a compromise the formula had been set and the debt which Rabuka owed the Taukei militants signed and sealed. Subsequently, more than 80% of Rabuka's interim government (many of whom retained senior positions within Rabuka's government until the election this year) was secured by members of the movement that Rabuka later described as "serving their own personal agenda" and alternatively "as the dark side of Fijian Nationalism".²

¹ *Pacific Island Monthly*, January 1998

² *The Dominion*, 17 February 1998

In 1997, Rabuka had the 1990 constitution reviewed, on the grounds that this piece of legislation, originally drafted with the assistance of New Zealander John Falvey and New Zealand-educated Isikeli Uluinairai Mataitonga, was “blatantly racist”.

The new constitution, with its bill of rights and its moves to address multiculturalism, was indeed a serious indication of the road of good intent upon which the former military dictator walked. Yet while Rabuka was applauded by the international community, were the self imposed exiles returning to embrace their beloved homeland, and the return of democracy?

In fairness the failure of a counter exodus was largely due to logistical reasons. Fiji with its lowering education standards and failing economy, was just not an attractive proposal. Yet the failure was also based on the knowledge that the militants remain entrenched in their positions of influence. The fear remained strong that having once secured Rome by the might of arms, the Centurions might be tempted to use the sword again. A fear not to be underestimated.

In 1989 Colonel George Konrote, another one of Rabuka’s senior intelligence advisers, authored a contingency proposal for the Fiji army to take over Fiji and install a ‘genuine’ military regime, in the event that Rabuka implemented a constitution (in this case the 1990 model).

Konrote’s banana republic called for the “neutralisation of political opponents, elimination of enemies of the state and the founding of a state religion”.¹ This little breath of Hitlerism further declared its desire to smash the commie-funded trade unions while “we hasten the formalisation of some sort of defence agreement with the US, France and the ASEAN countries”.

That Rabuka might be usurped one day was a constant point of speculation in the media every time there was sporadic violence, demonstrations, or even political conflicts of a more civilised nature. In the early 90’s commentators traditionally downplayed the likelihood (correctly) of Rabuka’s dismissal by arms or vote, due to Rabuka’s charisma with the indigenous Fijian population. Since 1994, however, Rabuka’s popularity has waned – as evidenced ultimately by his election loss.

There is a second element increasing the likelihood of Fiji plunging into political instability. Following the coup, both the Gold and Copper mining enterprises at Namosi and Vatukoula were given tax holidays for

¹ *WPR*, December 1989

thirty years, and similar concessions have been made to the largely foreign-owned factories of Fiji.

Subsequently the people of Fiji will receive only wages for allowing their resources to be exploited, and no corporate tax to pay for any social infrastructure. It is a Business Roundtable/US right-wing fantasyland. Wages set in a union-less environment, and competitiveness established by increasing unemployment. Low wages and the fact that many within the halls of Fiji's corridors of power are naturally motivated by causes of self-interest has created an environment, as *Pacific Island Monthly* commented, that "resembles Papua New Guinea in the early 1980's when there was one government inquiry into malpractice after another and no one in high office was ever prosecuted ...[leading] to the complete collapse of law and order...There is widespread perception in PNG, and now in Fiji, that if those in power can act with impunity from the law then it should be possible for anyone to do so".

As even Chas 'the bloodhound' (with a permanent cold) Sturt himself commented while in Fiji, he had noted a "distinct smell".¹

Such perceptions are not confined to the columnists of *Pacific Island Monthly* or the razor sharp snozz of Charles Sturt. As already noted, Fiji had been rocked by the Winebox-like (as in its lack of prosecutions, and the confining nature of that inquiry) collapse of the Fiji Bank.

Further, Rabuka himself had been embroiled in the Seru and Stephens scandal, leading to the conviction of Rabuka's Attorney-General Apaitia Seru for forgery. The Seru affair, in turn, was followed by an inquiry into Fijian Customs following admission by a senior Customs officer that he'd taken a bribe - something the officer concerned said was "normal practice".

The investigation resulted in senior management, as reported in the inquiry, losing "the respect of those they were supposed to lead...while members of the public had a poor opinion of the department as a whole".²

No one, however, saw fit to mention the established ties of Nadi airport to organised crime as highlighted in the BCCI affair, or the 45 other cases involving organised crime syndicates in the last two decades.

Infiltration of Fiji's state by those with criminal intent further extends to the immigration and prison services. Though the link to corruption

¹ *Pacific Island Monthly*, January 1998

² *Ibid*, January 1996 & June 1997

and the prison service is hardly surprising. The Taukeis had drawn heavily from Fiji's criminal elements, in the lead up to the original coup, as seen in the arranged demonstrations executed by Johnny Veisamasama of the Darling Harbour affair.

Further proof of the link between the Taukei movement and crime originate from the Taukei threat to stage a prison break/riot (the basis of Rabuka's violence prevention defence) during the civil unrest of May 1987. On a more mundane level, but with no less impact in terms of cost to the social fabric, the destabilisation of Fiji has extended to police and social services reporting an increase in petty crime and violent crimes (including domestic violence).

Sadly, such a consequence was not considered by Fiji's neighbours when they chose to ignore the degree of influence that outside forces had had on manipulating Fiji's racial problems. At the meeting of ministers at the South Pacific Forum most chose to stay silent (perhaps in shame), while some assumed, such as PNG, who should have known better, the voice of moderation stating (loosely paraphrased) 'hey Honky, it's a Pacific thing, you wouldn't understand'. Then there were the likes of Sir Tom Davies who stated simply, "No real blooded ethnic Fijian could let a bunch of Indians run the country..."

CHAPTER TEN MINE YOUR OWN BUSINESS

“Nuclear arms in the Middle East. Israel’s attacking the Iraqis. The Syrians are mad at the Lebanese. And Baghdad does whatever she please – looks like another threat to world peace, for the Envoy.” – Warren Zevon, The Envoy

The Fiji coup would take the mainstream by surprise. White middle class New Zealanders were told by the Corporate media that this was a shock, a horribly unexpected surprise. White middle class would be told a lie.

Fiji had been subject to a hostile resource grab, a brutal act of piracy, led not by the forces of indigenous nationalism but by a task force led by the Corporate icons of the Western world.

On the surface the governments from the sphere of influence (especially Australia and New Zealand) would talk of regional stability, calmed by the benign influence of a free market economy.

Under the surface the same government forces would be found providing the intelligence (used for the purpose of sabotage), the ammunition, the training and even in some cases the military troops, used to subjugate those who dared challenge the sovereignty of the Multinationals.

Even before Fiji there had been PNG. In 1985 the first rumblings, a sign of the violence to come, erupted on the island of Bougainville, the former English - German colony.

Landowners angry at what they perceived as the failure of the operators of the Panguna Copper Mine, the mining giant RTZ, (which also owns Comalco in NZ) shut down the mine. The issues in dispute included financial reparations for the landowners and claims that RTZ ecologically abused the land.

By forcing the mine’s closure, the landowners threw down a militant gauntlet not just to RTZ but to the whole conglomerate of cousin titans (including CRA and Western Mining, both of Australia), their interconnecting army of complicated subsidiaries and the associated shelf companies who exist in the mass.

By 1988 the Melanesian stand-off had escalated to the point where the island of Bougainville had leapt from being an isolated frontier protest to declaring its secession from PNG.¹

In the eyes of Bougainvilleans, the PNG government in Port Moresby was:

- a: a puppet of the multinationals
- b: ruled by a corrupt regime
- c: a different tribe

Port Moresby, which was indeed all these things, responded by placing the island under an economic blockade.

The official response from the New Zealand and Australian governments at this time concerning the crisis was clear: This was an internal matter and neither government would allow itself to become directly involved. However military aid to PNG would continue. Such aid came to total \$55 million, including \$11 million provided by Australia for the purchase of four Iroquois military helicopters which, one columnist wrote, “*Port Moresby had pressured Australia into buying*”.

These helicopters, the Australian government concedes, were deliberately purchased to fly missions in the Bougainville crisis. Yet Australia also claims they were provided on condition that PNG would not use them in a direct or active combat role. In effect the choppers were to be barred from offensive related operations.

Yet human rights groups, Australian sympathisers, religious groups and independent witnesses allege the choppers were, in fact, active participants in both combat and human rights abuse. There were reports of the distinctive Iroquois helicopters firing on civilians, firing on hospitals and firing on civilian and government military forces within the territorial waters of the neighbouring Solomon Islands.

The helicopters were also involved in missions that included openly dumping prisoners on Bougainville who had been executed (and often tortured) by the PNG Defence Force. Evidence exists to support allegations that the victims of such operations were not associated with the rebel forces.

¹ This coincided with PNG entering into a trade agreement with the US, signed on 25th November, as a part of the US MARC (Market Regional Co-operation) program. A regional forerunner to the MAI model.

It's significant to note that the pilots of such aircraft were not from PNG: instead they had been recruited from New Zealand and Australia. In 1991 advertisements appeared in the Situations Vacant of many newspapers seeking helicopter pilots "*preferably with RNZAF experience*".

A TVNZ TV1 news report revealed that the advertisement had been placed by a PNG based timber company, which admitted that the pilots would be flying operations within the troubled zone but that they were not there to fly combat operations. Innocent question: why would a timber company need pilots with air combat experience? That, after all, is the only real distinction between ex-airforce and ex-airline personnel.

Later that year it also emerged that the pilots of the PNGDF had also recruited from the same pool of former RNZAF and RAAF pilots. All parties concerned denied that such pilots had been involved in any atrocities.

It wasn't true. A year earlier, a New Zealand pilot confessed¹ that he and other expatriate pilots had in fact been involved in the said atrocities. Despite the confession, the New Zealand Government took no action to prosecute the individual, or any of the associates he was willing to name, though there was adequate legislation in place to do.

The news that New Zealand pilots were actively involved in the PNG crisis however, seemed of little ongoing interest to the corporate media and the story was quickly dropped. In Australia the Government response was simple, it refused to answer any questions concerning the helicopters and their pilots.

Frustrated by the "No Comment" policy, journalists soon gave up and once again the story was allowed to die of natural causes. Such stories may be news to Joe Suburbia but they are common and abound within military circles.

In 1991 during military exercise Operation Ivanhoe a territorial soldier, who also happened to represent a personnel company specialising in the recruitment of executives and engineers for mining and oil firms throughout Melanesia and Asia, confirmed that it was standard operating procedure for private firms to poach personnel from the military.

The insinuation, however, was that the recruitment firms were tipped off by Government officials about which personnel they should approach and which ones they shouldn't.

¹ Peacelink, March 1990

New Zealand's military and espionage personnel are so highly sought-after, that Government officials have assisted in their placement as private security consultants and bodyguards to a significant number of foreign dignitaries – VIPs regarded as “favoured people” in New Zealand's eyes.

My source highlighted the placement of former SAS and SIS personnel in the security teams of nations such as Bahrain and the Sultanate of Oman. Other sources including CASPER, contacts within the oil industry, and New Zealand military intelligence and RNZAF support this claim.

The involvement of New Zealand mercenaries in PNG was in fact further vilified by none other than Ross Meurant in 1991 during the defence of his own role in the mercenary trade - where he acted as employment consultant for the military forces of what he described as “bonafide regimes in Africa and the Middle East (where, according to former Meurant insider Frank Grover, Meurant had represented Iran - oh what we'll do to sell wool.¹)

Meurant challenged that his operation was above board, unlike the New Zealand “Cowboy hanging around the bars in Port Moresby”.² Again the question arises: if New Zealand knew about these people, why were none of them being charged with their involvement in an outlawed trade?

Further evidence that more than a blind eye was being turned arose with the collapse of the VNSCA. In the subsequent inquiry it was revealed that the VNSCA had leased its helicopters to Lloyds Helicopters, an Australian firm that was using the choppers to ferry troops.

Friedrich (aka Jonathan Hollenberger) in his highly conflicting book “*Codename: Iago*” alleges that the VNSCA had held close links to ASIO via its boss Max Eise. Eise however maintains that it was Friedrich, not him, who held the VNSCA ties to ASIO.

Either way, the inquiry - via witness testimony and VNSCA documentation - would establish that VNSCA had most certainly held ties with a number of Australian government agencies and private organisations that included arms dealers, the Australian Defence

¹ In 1997 the New Zealand Dairy Board paid for a full page advertisement that congratulated the Iranian revolution and the fall of the Shah. Which is ironic, considering one of New Zealand's little-publicised secrets is its role in rescuing US diplomats during the revolution.

² *New Zealand Herald*, 29 August 1991

Department, the Royal Australian Navy, and the Attorney General's Office (to whom ASIO was accountable).

VNSCA was also linked inexplicably to former US special forces personnel and the circumstances of how these people had in fact entered Australia or how the illegal alien Hollenberger had come to manage the VNSCA was never satisfactorily explained.

The possibility that New Zealand's involvement reached exceeded the 'merely unethical' faced me unexpectedly on August 24th 1994 at the Oasis Hotel in Waiouru, on the last day of my Basic Infantry Training which I undertook as a Private of the 95th intake of the Royal New Zealand Army.

At the time I was relaxing with a beer at the end of six weeks of getting up at 5:00am and going to bed at 1:00am and being yelled at throughout the in between. During this delicious beer (and there were many more to follow afterwards), while sitting at a table with a number of fellow recruits and one of my NCO instructors, I made it known that my interest lay in the media.

"Fuck the Media," grunted the Corporal, "those people know nothing."

I'd obviously waved a red rag at the bull. He grabbed his beer, swilling angrily. His look made it clear he didn't care what I thought. He knew what he knew, and the opinions of a geek like me counted for squat.

Weighing up the situation, I quietly lit up a cigarette, shut my mouth, opened my ears and let him rip. Then he leaned back in his chair while the rest of us hung expectantly, waiting for the rest of the story.

"I'll tell you what's really going on." He proceeded to regale us with the tale that he had been part of a fifteen man squad working in teams of two's and three's who had been sent to Bougainville. Their task had been simple, to "take out the leaders of the Bougainville resistance".

According to the story, while he and his men did reach PNG, such assassinations were however not carried out for reasons that he was not in a position to reveal (meaning he did not know). Presumably if the tale is true wiser heads must have prevailed and the team had been subsequently recalled.

The story has bugged me ever since. Yet prior to continuing a few things should be both for and against the likelihood of this being a true report and not just another "The fish was this big" pub tale.

In favour, the Corporal in question was clearly of a Melanesian extract and this could explain in part why he had been selected for this particular operation. Secondly the story holds credibility when placed against the back drop of military psychology. This individual was a regular force veteran of at least ten years. I, on the other hand,

represented to the Corporal a Territorial Force (known by the Regulars as Weekend Warriors) raw recruit. Bravado, the need to impress, simply didn't enter into the equation. He was a "Grunt Warrior King", I was the virgin, a Cherry, a nobody who knew nothing, whether I believed him or not, the Corporal couldn't have cared less.

Against this the man had, to the best of my knowledge, never been in the SAS and every military source I have spoken to finds it highly implausible that, if such an operation did take place, it would involve personnel outside of the secret walls of the Squadron. There is however one exception to this view, and it comes courtesy of CASPER.

CASPER had, in my original interview with him, cast doubt on the credibility of the story due to the lack of SAS involvement. However CASPER had agreed he would run the story past sources whom he knew had a good understanding of the secret war in PNG. It was one of these sources (whose identity is known to me) who confirmed a New Zealand role in the assassination of resistance men in PNG. CASPER resignedly lowered his head and with a response indicating tiredness simply stated "It was a Corporate thing".

In 1998 by chance I became acquainted with a consultant for the World Bank who again confirmed that the story might not be so tall after all. The source pointed towards one individual in the PNGDF, a Captain Carl Whatkow, stationed at the Golden River barracks in PNG. Mr World Bank says the Captain arrived for training with the SAS in Counter Insurgency Warfare techniques in 1995.

In fact the PNGDF were receiving specialist counter insurgency training as early as 1988, when the US Army sent fifteen men including Senior Master Sergeant Andy Miller from the elite US Ranger Corp to train the PNGDF's newly created Counter Insurgency units at the Golden River Barracks. Miller had specifically been sent by the US Army Western Command to undertake preliminary assessment of infantry training, to conduct basic and "advanced" ranger training ('advanced' includes assassination techniques), and to conduct "specialised" training in various exercises. All in all, a set of tests that Miller would call "A pretty broad mission statement for an NCO".¹

I understand the 15-man US contingent replaced a 15-member team of Australian Special Forces instructors

Coincidentally, up until at least 1988 the US Rangers had in turn been receiving training from the New Zealand SAS in jungle warfare techniques, with the SAS training the Rangers at US bases in Hawaii.

¹ *Asia Pacific Defence Forces*, Spring 1990

This of course gives the lie to that hoary old chestnut trotted out on the news about New Zealand military contact with the US ceasing after 1985. This information about the NZSAS training the US Rangers, originally a mess hall rumour, was confirmed by former SAS Warrant Officer Neil Lumsey during an interview for the Queenstown newspaper *Mountain Scene*.

Indeed, the circumstances that led me to contact Lumsey were strange to say the least. During my time in Queenstown I'd become aware of visits by an unmarked Hercules aircraft – and I mean *unmarked*. This plane was on the tarmac at Queenstown airport and it was painted jet black. It stuck out like a polar bear with a machine gun: there were no insignia, no identifying markings of any sort – not even markings to indicate where the fuel tanks were.

The aircraft, it transpired, was a frequent visitor to the region, and has sometimes been observed by hunters carrying out manoeuvres deep inside Fiordland national park. I was unable to trace the origins of the aircraft officially, with Civil Aviation, the RNZAF and the SIS all declining to comment in any meaningful fashion. However Lumsey and Les Gee have indicated the aircraft is a US Special Forces troop transport carrying American commandos down for special ops in New Zealand's South Island.

Miller's Rangers in PNG were in turn supported by Sergeant Al Willons of the Australian SAS. Willons liaised with US Special Forces, in effect circumnavigating the prohibition on the PNG receiving SAS training, a ban placed on the PNG Government by the Australian Government which had become worried about the interest Port Moresby was showing in Search and Destroy Style Military training¹.

It may also have been this Australian ban on SAS activity that was behind the involvement of NZ Regular Force troops in PNG.

Without doubt, I expect both the Australian and New Zealand governments and the US government to deny that their military forces have at any time trained the government troops of PNG or any other foreign army in assassination techniques. It is with equal certainty that the New Zealand and Australian governments (and their representative agencies) will deny that they have at any stage made use of assassins themselves.

¹ It was this style of training that was employed by the US during the CIA's famous mass assassination program "Operation Phoenix" using US, Australian, British and New Zealand special forces in Vietnam.

Government deniability is always plausible. That doesn't mean it's true. However one thing is certain, the PNGDF were certainly receiving training in the black arts from someone.

On August 5th 1995, Thomas Bataki, a member of Bougainville transitional government, was gunned down in front of his home having just returned from the peace talks being held at Burnham military camp in New Zealand. Bataki was shot twice with a .22 rifle in traditional sniper fashion.¹

The shadow of suspicion over the PNGDF deepened following the assassination of Theodore Mirung in October 1996. Mirung, the former leader of the transitional government of Bougainville, was renowned for his neutralist stance and his goodwill with both the BRA and Port Moresby was seen as the best chance for peace.

Again, following Mirung's shooting as in Bataki's assassination, the Australian media would cite the suspects as the BRA. Their sources in both cases had been Australian intelligence and the PNGDF.

Yet the Coroner's report of February 18th 1997 concludes that the death squad responsible for Mirung's execution, comprised members of the PNGDF and members of the resistance itself (the BRA wished for total independence, the resistance wished simply greater autonomy in Bougainville - so in reality the BRA and resistance's end goals were not that far apart). The four man team is reported to have removed the cartridge shells after the shooting. The same team had been reported as having previously converted an ambulance used in the hit to look like a jeep. Mysteriously the assassins, in the manner of agents provocateur, had erased the word "Ambulance" on their getaway vehicle, replacing it with the word "Spy".²

The attack was not dissimilar to the hit on Italian Prime Minister Aldo Moro, carried out by the Red Brigade. During the corruption trials, Italian prosecutors revealed that the right wing, fearing the compromise of Moro's neutralist stance, had hired the Mafia who in turn had hired the Red Brigade (which was by now in its fifth generation, and had become more mercenary than revolutionary) to remove Moro.

The killing polarised public opinion, which by default left the right with the majority vote. Divide and conquer. Works every time.³

¹ *The Christchurch Press*, 14 October 1996

² *Pacific Island Monthly*, April 1997

³ By the time of Moro's death the Red Army idealism had long given way to nepotism within the movement and its core comprised police informants, bootleggers and disgruntled misfits. Similar disillusionment (and it's

The suspicion that hung over the PNG hits was underscored by several BRA members' refusal to attend the peace talks fearing they would be subject to government ambush. Indeed, several unconfirmed reports cite that assassination attempts were made on both BRA and resistance members.

The role of the PNGDF in assassinations was further highlighted by Australian political commentator Laurie Oakes, who reported on March 4th 1997 that yet another killing had been ordered by Port Moresby, the target an unarmed BRA official located in the Solomon Islands. Oakes alleged that in this case the boys in Canberra had attempted to head the assassination off at the pass. However, journalist Jemima Garret in her article centred around Oakes' allegations (*Pacific Island Monthly* April 1997) correctly points out that Canberra's claim rings hollow on the basis that the Australian intelligence services failed to investigate or act on the involvement of what Oakes termed attempts by "a well known former Australian Army officer" to recruit Australian mercenaries (offering as much as \$120,000) for action in PNG.

As in New Zealand, the legislation existed to prosecute mercenaries. Indeed Oakes wrote of this individual: "his activities some years ago are said to have been part of the reason the Government tightened the Crimes (Foreign Incursion and Recruitment) Act"¹.

It is believed that this man is the same individual who formed the basis of the AP report on how a "former Australian SAS officer" had been discovered shipping arms into the Solomon Islands. The weaponry included 3000 M79 Grenade Launchers and 3000 rocket launchers (type unstated). Once again the Australian government chose not to employ its "tightened" Crimes Act.

Australian complicity escalated with former ASIS officer Warren Reed's testimony to ABC's *Four Corners*. Reed declared that the ASIS had failed to inform the Australian Government of the involvement of mercenaries in PNG despite having been in possession of such evidence as early as 1995. Further, according to Reed, this evidence included the ASIS knowledge of the meeting between senior members of the

consequences) could be found within the Baader Meinhoff and Action Direct terrorist organisations.

¹ There is a possibility that this SAS officer was confused with a former New Zealand SAS officer, operating out of Australia, who had integrated himself into the Australian BRA sympathisers community. Either way there are some indications (albeit minor) that the network was playing both sides.

PNGDF, Port Moresby and Mercenaries held at the Cairns Hotel in April 1996.

Australian Associated Press endorsed the ABC report (18th July, *Mercenary Aussie Spies Knew of PNG Moves*) as did one of the Murdoch subsidiaries, quoting their source as “a former SAS officer”. This former SAS officer repeated the allegation that ASIS knew in advance of the Sandline Mercenary negotiations held in Australia.

The former SAS officer was probably the same “former army officer” who Oakes had reported was present at the Cairns meeting involving Sandline Ltd, and former British SAS men Tim Spicer and Anthony Buckingham. The two former elite soldiers of the Crown in turn were closely associated with yet another mercenary outfit, Executive Outcome, while Buckingham was cited as a close associate of the former leader of the British Liberal Party, according to peace researcher Murray Horton.

As explained earlier, Garret wasn’t comfortable with my own spin-doctoring of events in PNG (and I think to credit Garret, it should be pointed out that she’s been doing this a lot longer than I have). Yet again I repeat myself: I find it unsatisfactory that no one adequately questioned the motives or reason why our Australian SAS friend bothered to speak to the media in the first place. This is especially true in light of:

- a: His own involvement in these deeds.
- b: The consequences to his business reputation of talking to the media, in a business based on discretion.
- c: The consequences that this man may face from having antagonised the ASIS.

It is equally interesting to note that not once in the entire episode did ASIO (the Australian Security Intelligence Organisation, responsible for foreign intelligence issues) receive one mention.

In all the INL papers the format retains a certain consistency “the spooks screwed up” (but no one asked how or why this had come to

pass¹), but more significantly INL made it clear that the screw-up happened during John Howard's Watch.

The dynamics of the Sandline episode are incredibly complicated, but one point becomes clear following an examination of Spicer and his affiliates.

Lieutenant Colonel Tim Spicer is a former veteran of the conflict in Northern Ireland where he participated in the infamous Pagoda Operations. Pagoda operations would include, according to the investigation of former Chief Constable John Stalker and former SAS Corporal Paul Bruce: kidnapping, the assassination of "suspected" IRA members and the murder of civilians in attacks designed to provoke the rival Irish militant factions into escalating their violence.

With the "Micks" whipped up into a fury, Whitehall could justify its decision to impose stricter security within Northern Ireland¹. In fact two men from Spicer's unit would be indicted and jailed for their role in the murder of civilians in Northern Ireland. I should note, however, that many soldiers didn't want to be in Belfast in the first place.

Further associates of Spicer also worked in the Pagoda operations, including Mark Heathcote of British Intelligence and Tony Ling - formerly an SAS commander. Heathcote and Ling had served as consultants for BP in Colombia (where BP had been accused of human rights abuses²). The contracts had come their way via Spicer's boss Anthony Buckingham. Buckingham, in turn, had a web of interwoven business ventures including Heritage Oil.³

In Angola to demonstrate the relationship of Buckingham's interests, Executive Outcome had carried out notoriously brutal suppression of the guerrillas and civilians located in the Soya region of the county. The operation was carried out not at the behest of the government (though

¹ A similar naivete emerged during TV3's *Nightline* of August 10, 1999. During the show, they revealed fist fights had broken out in the Japanese Parliament when laws authorising the use of wiretaps against organised crime were narrowly passed. The TV show treated it as amusing vision, without bothering to answer the "why?". That the thought of phone tapping against the Yakuza angered so many MP's probably indicates they are politicians on the take, who don't wish their own corruption to emerge on tape.

¹ The claims of Paul Bruce, a member of the SAS assassination unit, are supported by the findings of Captain Fred Holroyd, a former member of MI6. *The Nemesis File*, Paul Bruce, Blake Publishing Ltd, 1995.

²In New Zealand the director of the NZSIS Lindsay Smith had previously acted as a senior executive for BP in New Zealand.

³ Murray Horton

for obvious reasons they showed no objection) but on behalf of Heritage Oil. In Soya, Executive Outcome's tactics included setting helicopter gunships loose on villages suspected of harbouring guerrillas.

Executive Outcome's solution also included the assassination of resistance leaders. In return for all of this peace and tranquillity, Heritage Oil awarded Executive Outcome diamond concessions.

Assassins and diamonds are hardly news, as the assassination of the UN Secretary General Dag Hammarskjold in 1961 highlights. For twenty years it has been the official verdict that the Secretary General's aircraft had crashed accidentally, but in 1992 George Ivan Smith and Connor Cruise, UN representatives, decided to end the cover up and testified Dag Hammarskjold had in fact been shot down by mercenaries in the pay of a diamond conglomerate led by the Belgian Zaire based Union Minire du Haut Katanga.

The industry had feared that Hammarskjold's peace initiative might threaten their claims of diamond, copper and uranium concessions in Zaire.¹

Another related entity with similar "realpolitik" executive structure is Ranger Oil, whose directors include:

Edgar M Brontman, president and CEO of Seagram. Brontman is also the president of the World Jewish Congress. Simon Reisman, President of Trade and Investment Advisory Group Inc. and the ex-Under Secretary of Energy in the United Kingdom.

The presence of a conservative MP amongst this group is hardly surprising in light of Britain's policy concerning mercenaries. As James Dunning writes in *A Quick and Dirty Guide to War* (Austin Boy NY USA 1985), "The British are familiar and at ease with the mercenary arrangement, officers and NCO's from many nations have served with them....having had several hundred years experience in leading mercenary forces".

In another book *Soldiers of the Queen*, "British officers and NCO's serving with foreign armies often resign from their home forces for the duration of their service. This arrangement suits both parties and demonstrates why mercenaries survive and are most likely to continue to due so".

Sandline would again demonstrate its allegiance, when in the middle of an arms scandal, it resurfaced at the centre of allegations that the British government was becoming involved in the illegal shipment of weapons pouring into war torn Sierra Leone.

¹ *Christchurch Press*, 14 September 1992

Spicer and Sandline became embroiled following their investigation by officers of Customs & Excise. Customs & Excise's interest had come about following the shipment of 30,000 Belgian small arms through England, destined for Africa. In the view of Customs & Excise this was illegal. Spicer's lawyers did not see it that way, telling English journalists "Sandline and I understood and still believe that we are acting with the approval of Her Majesty's Government."¹

The Foreign Office, in the form of Robin Cooke denies the affiliation, but Spicer's lawyers - armed with contracts and signed documents - deny the denial. The papers in question bear witness to Sandline's meetings with senior Defence and Foreign Office personnel (including Peter Penfold, the British High Commissioner to Sierra Leone).

The readers are reminded of yet another arms dealer running Eastern European weapons into Africa at this time from the United Kingdom, Simon Spitz/Shimon Lahav, who had also been active in PNG during the early 90s. Again, Spitz wasn't investigated by British authorities despite the video documentation of Brian Johnston that showed weapons being off loaded from Ocean Airways' Russian aircraft.

Nor was Spitz expected to answer questions from New Zealand authorities, who had an outstanding extradition warrant (as had several other nations on Spitz at this time).

It wasn't just loyalty that tied Executive Outcome and Sandline to Her Majesty's Secret Squirrels. In Angola, Executive Outcome was run by its senior partner Eben Barlow, a former agent of South Africa's feared death squads, which operated under the banner of the Civil Co-operation Bureau (CCB).

Barlow had also headed South Africa's elite 32nd Battalion who were responsible for search and destroy operations into neighbouring Angola.

The 32nd, like a number of Commonwealth special forces units, had foreign nationals who had formerly been members of units like the Australian SAS and the Rhodesian SAS. In fact, the PNG mission had included a member of 32nd Battalion. Ironically former members of the ANC were also recruited to serve in PNG, but given the 32nd's role in infiltrating that organisation, some crossover is perhaps not surprising.

Despite the enlightenment brought on by the end of apartheid, researcher Murray Horton asserts that Executive Outcome retains its bond to the former old boys network of South Africa's national security. Horton claims that the specific reason for E.O. being established is to

¹ *The Guardian*, 10 May & 17 May 1998

survive the dissolution of the CCB by De Klerk, prior to Nelson Mandela's ascent to the throne.

E.O. certainly had some form of relationship, undertaking a number of contracts that were beneficial to the fortunes of the Africa Old Boys network. These included operations in the Sudan, Uganda and Sierra Leone, plus contracts in Indonesia and Burma.

In Sierra Leone, E.O. would work closely with Branch Energy (aka Diamond Works) entities closely tied to Canadian-born Australian mining magnate Robert Friedman (toxic Bob). Friedman also held interests in Emperor Mining (made famous by their role in smuggling Uzi machine guns into Fiji, just prior to the coup).

Friedman is a man of many friends. One of them was Rupert McCowan, from yet another pillar of England's fine and noble institutes, Jardine and Flemings of Singapore.

McCowan was 'suspended' by his superiors when it transpired that he was acting as Sandline's banker in the associated PNG arms purchases. In this role McCowan, therefore, must have been in contact with our former Australian SAS officer. For the said gentleman was tasked by Sandline to establish the offshore bank accounts that would handle the recruitment and pay of the mercenaries employed by Sandline, had the operation taken wing.

Unexpectedly, while Friedman and associates have connections with RTZ (via operations in Canada) the links are tenuous and to the confessed surprise of this writer, I found no trace of RTZ involvement. This does not mean that it is not there, simply that this writer may have been looking in the wrong place.

It is however hard to imagine a giant like RTZ simply walking away from what Horton describes as the "Jewel in our crown".

But the PNG troubles were not being confined to just the locals. John Hayes, the New Zealand High Commissioner, was subject to an attempted assassination when, according to PNGDF, BRA guerrillas attempted to shoot down a HeviLift helicopter¹ ferrying Hayes as he progressed towards the peace talks in New Zealand.²

This little bit of bother was topped off by a series of 'tit for tat' leaks on both sides of the Tasman including a malicious Australian

¹ HeviLift is an English consortium, perhaps one of the largest Air cargo freight fleets in operation. It's operates extensively in the former Soviet Union and Asia and is believed to have strong UK defence ties.

² In fact Hayes would face death twice during this round of talks. On the second occasion he suffered injury after having fallen from a significant height.

intelligence report that insinuated “*darker motives*” (those bloody colourful verbs) for New Zealand hosting the Bougainville talks. At the least, Horton is bound to be correct when he says that every form of electronic communication coming out of the camp was under surveillance.

Standard Operating Procedure, modus operandi, opportunity knocks and all that after all.

Yet Australia was hardly fit to talk, considering that it had established a Signals Intelligence Unit in Northern Queensland for the exact same purpose that New Zealand spooks would have bugged Burnham, to get the edge and to be in position. Power and money, bullshit and jelly beans, nothing changes.

On television it was all peace in our time, but no one asked the fairly significant question, how can we have peace when the militant arm of the movement is still up in the mountains saying they won’t come to the peace table? (Primarily because they weren’t very happy about the number of people coming back alive).

In fact, this major factor in the dispute was made clear by rebel leader Francis Ona, who said “They have played a clever trick on the Bougainville people by passing it straight back to the Australian government, which supported the PNG Army during the war. They are manipulating the whole issue and that will cause bloodshed again on Bougainville”¹.

Whether this is true or not (and my money is on Ona), it seems clear that there has been an attempt to destroy the common ground between the Resistance and the BRA by breeding an environment of mistrust between the two factions. A tactic which if successful will make the two parties forget their none too small common interest. Divide and conquer, nothing changes and to paraphrase the movie *Strange Days*, “I think that is the truly scary thing”.

It is one thing to blame the Australian government. The Hawke government had indeed secretly trained PNG troops in the skills needed to suppress OPM (later the BRA/Resistance) activists. It has been done by covert action units under the Australian Secret Intelligence Service). Skills taught include capture, interrogation and killing... (taken from *WPR Index* issue Feb 1990, original source *The Eye* 14 Oct). But for Ona to be suspicious of New Zealand’s “ten-guitar playing” soldiers, where’s the logic in that?

¹ Military sources state that they had been fired on by the “BRA” at night.

In 1998 the incoming government of the Solomons discovered to their horror that they were expecting the delivery of NZ\$64 million worth of arms. The weapons included rocket launchers, a Cessna aircraft, and reportedly a helicopter gunship. Australian government sources were quick to announce that this armada of weaponry was going to end up in the hands of the BRA. In New Zealand (where, according to Customs sources, the weapons had been sitting “mysteriously” on the docks in New Zealand for several months) and Australia, the governments were also quick to assure the Solomon government that they would do everything possible to ensure that the weapons originating in Singapore would not reach the Solomons. The weapons did exactly that, travelling from New Zealand, and travelling via Australia¹.

The weapons soon arrived, to the dismay of the local government in the Solomons. And as they say in show business that was the end of the story: Not! Quite aside from the improbability of the BRA being able to afford such weaponry, there was the matter of the US State Department’s role in the affair. For the shipment of weapons by Century Arms (of the 1991 surplus New Zealand Defence weapons sales²) had in fact involved the direct participation of the US ambassador to the Solomon Islands & Vanuatu,³ Arma Jane Karaer.

The circumstances that saw the weapons languishing on a New Zealand wharf life illustrate one of the loopholes available to smugglers in this country. Because of the huge volume of imports into this country each day, coinciding with the Government deliberately cutting back on Customs resource, the limited staff are assigned tasks according to priority. If goods arrive here six months after the expected time of delivery, Customs will normally fail to search the containers (similarly Australian Customs are likely to work in the same manner, as they were set up, like New Zealand, on the British model). New Zealand’s position made it clear that officialdom knew of the cargo contents, but no attempt was made to employ the Customs Act 1996 Clause 70:

“From time to time the Customs Minister may prohibit the export of any goods that are:

¹ The Australian government was apparently unaware of the situation, until New Zealand tipped off Canberra that the weapons had left New Zealand.

² FAC No.33799711, 3rd Sept 1991 14:51 No 413 New Zealand Defence Department

³ Beleived to have been financial, the offshore facility for Sandline PNG operation.

- a: arms, explosives or military or naval stores or
- b: goods, which in his opinion, may be forwarded, be used, be used as, or in the interest of, arms, explosives or military stores for any purpose of war.”

An alternative solution was the export-prohibiting legislation of 1953 that a person should not export any goods without “permission in writing from the Minister of Customs”.

Further the legality of Century Arms’ position was hardly secure, for as the Prime Minister of the Solomon Islands, Bartholomew Lufa Lu Mamaloni points out “There was no sign of a formal contract”. All that existed was a letter signed by the previous Prime Minister authorising amateur aviator, American Patrick Murphy, “to purchase weapons on behalf of the Solomon Islands”.

In the final analysis you have Spicer and a bunch of affiliated outfits closely aligned to Her Majesty’s Secret Service, and the Anglophile-aligned corporations. These gentlemen are uncovered before the eyes of the media by PNGDF general Jerry Singarok and, so Eben Barlow insinuates, “someone else”.

The unmasking of this plot soon has the media cameras focused on the domestic Australian Security Intelligence Service ASIS, but strangely not on ASIO or the Defence Department itself. In particular the gripe concerns the knowledge of the plan in advance but not bothering to inform the said government until the most inconvenient moment.

In the meantime Singarok’s patriotic image was disintegrating (though it is not widely reported) as it was revealed that Singarok had in fact been present at the original Cairns hotel meeting. It then turns out that Singarok had been involved with rivals of Sandline, yet another Singapore-based arms dealing outfit, as Jemima Garret had pointed out to me in our original interview - in relation to the AUSTEO Report.

Behind all of this intrigue you have at least one former Australian Army officer, turned mercenary, who turns out to be the media’s primary source of what happened at the Cairns Hotel meeting. In the final act, Sandline exits (with the Australian government paying their fee), PNG replace a corrupt politician with a mobster, while New Zealand claims ‘peace in our time’ and Washington says nothing about the Australian SAS man shipping US, state-approved weapons into the Solomons). As Simon Upton would say, “readers on both sides of the Tasman may draw their own conclusions.”

Events in PNG however would raise the question, “at what level of filth could New Zealand security forces be found, dirty dancing?”. It was a question for the boys.

CHAPTER ELEVEN THE LADS FROM UNCLE.

“Peace and tranquillity for respectable clientele at reasonable prices”
- Wiseguy (the series)

In March 1990 freelance journalist Jonathan Moyles was murdered in Santiago, Chile while on assignment. The tasking of his story was to investigate the “Grey Market” of arms dealing. The target of his investigation was Carlos Cardoen, a Chilean arms dealer.

Cardoen’s business deals in Iraq would lead to Iraqgate, the pre 1991, CIA arranged, Gulf War sales of US arms to the regime of Saddam Hussein. A deal that would involve such familiar names as Michael Hand and Mark Thatcher. Former Mossad agent Ari Ben Menashe would in fact report that he had at one time sat in Cardoen’s offices with Mark Thatcher (Citibank’s Ian Thurston protégé).¹

In Moyles’ case, the official British verdict on his death was suicide. A strange finding in that Chile’s own elite SO7 investigation unit filed the case under “homicide”. It was the belief of the investigation that a very professional assassin, hinting at a war between British and Iraqi intelligence.² The circumstances behind Moyles’ death held close parallels to the death of Auckland computer salesman Paul White in 1992.

In September of that year, Paul White died in a mysterious car crash which was quickly ruled as an accident brought on by the consumption of alcohol. As with Moyle the total lack of official suspicion was in itself incredibly suspicious. Prior to his death, White had obtained a quantity of computer disks belonging to Citibank, which White asserted documented evidence of New Zealand ministers having bank accounts in the Bahamas, and leading New Zealand business corporations’ involvement in highly sensitive arms deals, money laundering and other deeds of corruption.

That these claims should be taken more seriously than simply White shooting his mouth off is underscored by a lawyer who had been told of the arms deals by White before his death, and then learnt of them

¹*The Guardian Weekly*, 16 October 1994; *Profits of War*, Ari Ben Menashe, Allen & Unwin.

² *Silent Conspiracy*, Stephen Dorill, Heinemann 1993

separately two years later from a representative of the organisation allegedly involved.*

Further indications slurring the official verdict of accidental death arose in that the last man to see White officially, a night club bouncer who “happened” to be following him home, would change his account to the New Zealand Police three times. Only one thing remained consistent: he didn’t see the crash. Nor did the second witness to the death, a former Vietnam veteran and employee of a large security firm. Both witnesses could describe the “before” and the “after” but both claimed to have lost sight of White’s car for a crucial moment.

The Serious Fraud Office would also implicate itself when Chas Sturt stated that the discs had all been investigated properly showing “not one scintilla of evidence” of a crime having been committed. As Ian Wishart points out in *The Paradise Conspiracy*, the entire investigation of the discs had taken but a few hours carried out with the help of Citibank, who were helping the agents from the SFO, agents Tweedle Dumb and Tweedle Dumber, to understand the contents of the discs. A few hours would have been insufficient to study “each of the 88 discs capable of 300-1000 pages of text information”. Wishart writes there were “literally hundreds of pages of text on file on the discs and that to go through *each* would have taken hours”.

Wishart, during my research for *State Secrets*, relayed the detail of a dinner party conversation involving Citibank executives and several lawyers. When discussion turned to the Paul White mystery, one of the Citibank men replied: “I don’t know why we’re getting the flak on this, it was [name deleted pending ongoing investigation] who gave us the money to pay White off”.

So if the \$15,000 that White was paid did *not* originate from Citibank, it means that statements given to police investigating the “accident” did not contain all the relevant details.

Sure, the money was withdrawn from a Citibank account, but police never bothered to check if there was a matching deposit *into* Citibank earlier, and who it came from.

Wishart has the names of people who attended the dinner party and took part in the conversation.

Citibank, however, were no saints. Through Walter Wriston and Ian Thurston, they had pushed their globalist economics on Thatcher and Reagan’s governments. Nor were they strangers to the arms trade. In

* *The Paradise Conspiracy*, Ian Wishart, Howling At The Moon. Wishart’s source is not named publicly.

New York protesters had worn shirts denouncing Citibank's involvement in South Africa.

At an annual meeting in 1977 Dr Richard Ernst of the Presbyterian church would allege Citibank was "viewed around the world as a major prop of their regime".

In defence of Citibank, Sir Anthony Tuki, the chairman of Barclays, claimed the loans were essential "in order to buy arms from abroad. South Africa needed foreign currency and it remains our policy here in London to lend currency to the South African government".

Walter Wriston and fellow Citibank executive vice president George Vojta also remained unrepentant, telling the US Senate "the rule for all multinationals must be hands off", claiming that "Citibank's influence in South Africa benefited all people". Yet this was a lie in my view: Citibank represented nearly a quarter of the American bank loans to South Africa. These loans - the target of the protesters' chant "Citibank finances apartheid" - were also the very crutch that allowed the South African arms industry to remain a significant force during the height of the embargo.¹

It was the face of APEC behind the closed doors of the boardroom. A similar scene of big business methods was played out in 1985 when John Reed of Citibank UK met with Sir Alastair France, the chairman of RTZ, executives from Mobil, General Motors, Sir Peter Baxendell of Shell, Sir Peter Walter of British Petroleum and Sir Tim Bevans of Barclays, chaired by Sir Edward Heath the former Conservative Prime Minister of England, at a midnight conference in the surreal setting of a Scottish castle.

There, the knights of the round table met to discuss the problems caused by minor shareholders' opposition to their activities in South Africa. However on this occasion public opinion carried the day and the feudal lords could only agree to a weak communiqué of their "common concerns" which was promptly torn up. The people had found motivation, and the few had to bow to the majority. Citibank received further publicity in February 1978 following the sacking of David Edwards – one of its senior staff. This followed Edwards bringing to the management irregularities in Citibank's foreign exchange practice.

The Security Exchange Commission (SEC) investigated, but that inquiry was quashed upon the election of Ronald Reagan.

¹ All material relating to Citibank sourced from *The Money Lenders*, Anthony Sampson and *Black Gold* by Anthony Sampson.

Elsewhere, Citibank could be found supporting the dictatorship of Zaire in conjunction with the World Bank and the IMF. Indeed, just like the secondment of Fay Richwhite staff to the New Zealand Treasury or even the offices of New Zealand Cabinet Ministers, Citibank enjoyed a similar cross-pollination of staff with the World Bank and IMF.

The nature of banking was typified by the discovery of documents in Tehran, implicating the major banks including Citibank in “various forms of corruption in their haste to expand business”.

In late 1998, the US General Accounting Office commenced investigation of Citibank’s role in the Mexican scandal, via employee Amy Elliott’s moneylaunders for drug cartel boss Raul Salinas – the brother of former Mexican president Carlos Salinas.¹

The SFO, a cross between the New Zealand version of the SEC and the FBI, starts off by nearly having a Hong Kong criminal as it’s head. It emerges from the Winebox in disgrace, where its in-fighting, political jealousy, disgruntled, and lying nature is revealed to all and sundry. It slides out of the Pacific Express investigation with a confession that the SFO won’t go after the people it considers too scary. The SFO then bumbles into Prok where its non-investigation is considered a joke by colleagues in other fields of law enforcement. In my view the SFO hasn’t proven, on its own initiative or efforts, one *major* case of genuine, systemic top level white collar fraud.

Is there any reason that we should uphold the SFO opinion on White as being worthy of consideration? Is there a reason for the SFO to be ripped apart and replaced by something that works? Interesting questions, interesting questions indeed. But White wasn’t the only scandal brewing back then.

The story below with it’s own significance silently read: “Wellington Black Power gang members and Vogel House housekeeper Thelma Dillstone will take their seats alongside knights, diplomats, parliamentarians and an (un-named) British cabinet minister at today’s memorial service for Prime Minister Sir Robert Muldoon”.

Police Minister John Banks was there too, and alongside him was police officer Paul Fitzharris, a Superintendent now in charge of Christchurch Police. Fitzharris was then serving as Banks’ police liaison officer in Parliament.² No one knew it then, but Banks and Fitzharris

¹ *Time*, 14 December 1998

² Banks’ last liaison officer had to resign from the position after he was caught threatening to use confidential information from the Wanganui computer against his neighbours.

were about to get burnt in a separate arms scandal, “The John Banks Flak Jacket Affair”.

On August 11, 1993 Opposition Police spokesman Richard Prebble opened up the affair by tabling in Parliament two affidavits, swearing that the original tender file for Police flak jackets had included two letters - a memo by Fitzharris and the other by Banks – which had “mysteriously disappeared”. This followed questions earlier in August when Prebble queried “whether it was contrary to cabinet office rules for a minister to interfere in the tendering process of his department.”

He then tabled documents, obtained from the Police through the Official Information Act, claiming they showed that Banks had interceded on behalf of KSI agencies, a Whangarei company, owned by a personal friend of Banks, William Orr. Orr’s company produced body armour, and they were tendering for the Police flak jacket contract. The alleged intervention took the form of a memo from Paul Fitzharris to the Police Commissioner, in which he mentioned that Banks – the Minister of Police - had “a particular interest in the KSI tender”.

Following Prebble’s allegations an inquiry was, surprisingly, held. The enquiry was chaired by Michael Wintringham, *who had just left the Prime Minister’s office three weeks prior*. Wintringham, of course, is now familiar to New Zealanders as the State Services Commission boss who “told off” WINZ chief executive Christine Rankin over her departments quarter-million dollar expenditure on a chartered jet and executive retreat.

The primary setback to Prebble’s allegations was the discovery that his deep throat witnesses were in fact also tendering for the jacket contract. Prebble tried to then narrow his sights hoping for an easier hit on Fitzharris, stating on August 18th that Fitzharris was the primary party at fault, with the Minister bearing responsibility for the actions of his staff.

Banks wrote in his diary “I was told by an operative on the ninth floor (Prime Minister’s office) to ‘throw the Policeman to the wolves’ and get myself from under I told him (Fitzharris) I would never leave his side”.

Banks then adjusted his story admitting he had intervened on the flak jacket tender to have the timetable extended so KSI could put in a late bid. He later said his own involvement stemmed from a desire to ensure a New Zealand company – coincidentally in his own electorate – got the job.

The inquiry would exonerate Banks but stated “Nevertheless, the memorandum resulting from the second occasion on which the Minister

responded to his constituent, from the Police liaison officer in the Minister's office to the Commissioner of Police, was couched in terms which in my view amounted to poor communication between a Minister's office and his department which did not meet generally accepted standards".

The KSI jackets were not in the end accepted as they were considered firstly too expensive and secondly impractical for New Zealand Police uses.

This however did not stop KSI successfully forcing tariff increases on overseas jacket manufacturers by applying to have customs concessions withdrawn, resulting in a 37.5 percent price increase on non-Australasian jackets purchased by the Police. (September 4 1993, *The Press*). End result: few jackets for the Police, good one KSI.

In short, Banks was saved by the favourable interpretation that (top brass) Police involved chose to put on it, as Michael Rentoul wrote in the *Christchurch Press*.

There was one more fire to be extinguished when it emerged that Auditor General Jeff Chapman had complained to the Prime Minister Jim Bolger that details of the inquiry report had been leaked to the media, following an accurate prediction of what the report would contain made by Radio New Zealand political editor Richard Griffin. Griffin replied "nonsense" and there the questions stopped.

This however was not the first time that Banks had shown an interest in arms connected government tenders. In October 1991, Banks stated that the Police .38 calibre revolver would be replaced by the 9mm Brownings. On this occasion Banks was quickly cut down when New Zealand Police Commissioner John Jamieson quickly pointed out that such a decision was not up to the Minister and that "the choice of semi automatic pistol was not yet final" (*The Press*, 25 October 1991).

Investigative journalist Ian Wishart stumbled across more alleged irregularities in regard to the choice of the new handgun.

"It was 1993, and I was with a television news crew, and we were at Auckland Police Headquarters for an interview with Detective Inspector George Wood (now North Shore City Mayor)," Wishart recalls.

"While we were waiting for George we were filming some general vision in the police station, and beside us one of the cops was having an animated discussion on the phone.

"After a couple of minutes I realised the officer – a member of the Armed Offenders Squad – was talking about the evaluation process for the replacement of the general issue handguns, and he was pretty pissed off about it.

“I signalled the cameraman to keep filming pictures on the wall, without tipping off the cop that we were continuously rolling on the audio of his conversation.

“The gist of it was extremely serious: the cop was part of a team of AOS officers who’d been asked to test the new pistols being submitted for tender. He was complaining to one of his colleagues over the phone,

“According to the cop, Police National Headquarters was trying to force them to give the best marks to the Glock pistol, when it was not up to scratch in the opinion of the evaluation team.

“He said the Glock had jammed during field trials, which could be fatal in a real emergency and also tended to misfire unless given expert handling, and he told his colleague that the Ruger pistol was a much better gun. He said the Ruger was the only gun that was still operational after ‘taking it for a swim’, and less prone to malfunction.

“While the camera recorded him, the officer said he’d tried to tell Headquarters that the Ruger was the best weapon but they didn’t want to know. He told his mate the evaluation was ‘a bloody waste of time – they’ve obviously already made their minds up!’.

“His concerns overall were that while the Glock was a good gun, it was more temperamental than the Ruger and therefore more dangerous in the hands of general police, who didn’t get the same level of training as Armed Offenders Squad members or soldiers – the Glock was already issued to the Army.”

Wishart held on to the tape recording and the transcript of the conversation, because at that stage Police National Headquarters had not made a final decision on the handgun tender.

When Glock won the contract (surprise, surprise), Wishart says he contacted Police Headquarters and revealed the existence of the tape.

“National Headquarters wrote back, on behalf of the officer we taped, and alleged that our recording of his conversation was illegal. I couldn’t care less about that aspect of it, to be frank – in this case I considered the recording to be justified in the public interest, because it appeared to show the Glock had been selected in defiance of the recommendations from police experts who believed a different gun was better and safer.

“I asked for copies of the evaluation team’s report under the Official Information Act but I never received it. Headquarters claimed the evaluation had been ongoing, and opinions had changed over time.”

Wishart’s concerns were chillingly accurate, however. One of the Glock pistols did misfire, and could have killed a hundred and forty people in the process: it happened on an Air New Zealand flight. Luckily, the bullet went through the floor and embedded itself in cargo,

so the outer hull of the plane was not breached. However, don't let the airline or police downplay the incident on that basis. It really was only incredible luck, not good planning or safety procedures, that saved the passengers on that flight. Imagine the destruction of depressurisation if the gun had been pointing elsewhere at 33,000 feet.

The police did not tell the news media. Nor did Air New Zealand. Wishart found out via his contacts in the Police Criminal Intelligence Section.

The near miss forced a change in policy – Air New Zealand demanded safety precautions to ensure that police guns never again went off accidentally in flight.

Wishart drew the story to the attention of the producers of *One Network News*, but the journalists showed no interest in it. Which says a lot about the intelligence of the average television journalist really: that bullet could have brought down an airliner with 140 passengers and crew on board. It could equally have hit a passenger instead of going through the floor. But the journalists weren't interested. This book is the first time Wishart's story has been publicly aired.

And it wasn't just police weapons experts who had doubts about the Glocks. Within gun enthusiast circles there was debate about the suitability of the Glock as a law enforcement weapon due to its hair trigger.

It is slightly disturbing that these same pistol was widely reported as being for sale on the black market in Lyttleton, Nelson, Motueka and Christchurch. The primary dealers were alleged to have gang affiliations. The wide availability of this type of pistol was in turn confirmed to me by Dr Greg Newbold during my interview with him.

The flak over the flak died down, the smoke faded away, Fitzharris got promoted.

In July 1997 Paul Fitzharris as the regional police commander for Canterbury, told *The Press* that the reason for the Police not investigating the break in at the home of political activist Aziz Choudry by the SIS was because "no criminal offence had been committed that could be prosecuted".

He was wrong, because when Choudry took a private court case the Court of Appeal ruled the SIS had acted illegally, just like any other common burglar.

The last time I heard of Fitzharris was after he talked to Labour's Christchurch Central MP Tim Barnett in relation to the Olivia Hope and Ben Smart homicide. Fitzharris told Barnett "the Police case was based

mostly on circumstantial evidence” and may not be successful¹. Regardless of the truth or otherwise of the statement, I believe it undermined the efforts of his own people.

The subsequent lack of genuine effort displayed by the State in the case of Paul White’s death would have come as no surprise to Commander Rob Green, a former member of British Naval Intelligence, or to his New Zealand partner Doctor Kate Dewes, a political scientist and anti-nuclear activist involved in the international nuclear disarmament World Court hearings. Both parties have experienced the State’s nasty side first hand. Rob Green is the nephew of Hilda Murrell, who was murdered in England on the 24th of March 1984. Hilda, at the time of her murder, was actively, with a formidable energy, asking questions regarding the British nuclear plant, Sizewell B. She was asking questions about things that live beyond the edge of darkness. Following her death Rob Green, the trained investigator, with an array of impressive sources, reported his own, personally tragic, findings that Murrell was assassinated because of her own investigation of the nuclear industry.

Green believes his Aunt’s death resulted from nuclear intelligence sources hiring a private security consultant to keep Murrell under surveillance and intimidate her, at which point “something had gone terribly wrong”.

During Green’s investigation into his Aunt’s death, he reported finding opposition from all sides including the press. This included a number of badly researched stories in which Green himself was implicated with Murrell’s death, in connection with the sinking of the Argentine battleship *General Belgrano* during the Falklands War. Specifically, he was accused of stealing documents alleged to personally incriminate Margaret Thatcher. The conspiracy theory hints that these documents might have been in Hilda’s hands at the time of her murder - something that Green replies was a “total concoction designed to smear me”. Green provides as an example the work of a number of journalists and individuals, including *Daily Mirror* journalist Nick Davies.

Before we go into Davies’ claims, you need to know a little about him. In his book *Profits of War*, Mossad agent Ari Ben-Menashe alleges Davies had been a Mossad agent since the 1970s, recruited by former British SAS officer Anthony Pearson.

¹ I hold a high regard for the work of Detective Robin Pope yet, while my investigation of this affair has been marginal, there are a number of elements about this case that I am unhappy with.

When Ben-Menashe first hit the headlines with his claims, Davies denied it and managed to convince his media colleagues that the Israeli was a liar. It wasn't until his colleagues dug a little deeper that Davies' background emerged, proving that *he* was the liar. So as you read this, remember that Davies was a spy working for the military-industrial complex.¹

Davies' article, written on the tenth anniversary of Hilda's death, started by including the Belgrano myth, prior to painting Green as a crazed conspiracy theorist whose inquiry had tied British Telecom, the Royal Mail, the Fire Service and the Police themselves as "being up to their necks in it".

Davies asserted that Green's spin was that this conspiracy had been orchestrated by the Freemasons.

In fact Green had investigated the Masonic Lodge's role in the case but that this has to be put in context to the role that the Lodge plays within British society, best epitomised by the number of times that Freemasonry is used as the butt of the satirical humour of Monty Python (as it does in the American satire *The Simpsons*).

Freemasonry indeed plays an influential role in English society, and it would not be an inaccurate statement to say that Freemasonry has long been one of the rites of passage, set by the old boys network operating both within England and the colonies.

At the time of Hilda's death the Masonic Lodge, which traditionally retains strong questionable (in the context of conflict of interests) influence within professions like banking, the military, the intelligence community and the British judiciary, could be found publicly embroiled at the centre of a number of European scandals including an edict that senior Police officers had to admit to their Freemason affiliation (an edict that was promptly ignored) following a corruption scandal at Scotland Yard.

In a similar vein the Neo-Nazi Licio Gelli had used the Masonic Lodge P2 to recruit and blackmail the cream of Italy's high society, criminal underworld, and the intelligence community. (In a similar vein Leo Tolstoy in *War and Peace* also spoke of social climbers and gold diggers who were drawn to the Lodge as a quick means up the hierarchical ladder.

Green had never claimed that the Lodge was some form of Satanic plot for world domination. Green simply recognised the Masonic Lodge's, often overlooked, role as an agent of influence.

¹ *Maxwell*, Roy Greenslade, Carol Publishing, 1992

Davies' interpretation of Green's view of the Lodge was way out of line when he wrote "this should have been enough to warn us off, it was not simply the daftness of Rob Green's theories, but that they were the only logical way to explain how the security services were meant to behave".

Yet Davies had chosen to omit a number of points (Paul White style) concerning the authority's treatment of the Murrell case including, briefly:

1. A gap of four days where the location of Hilda's body remained unknown.
2. A description of Murrell's murder that was so inaccurate that the British satirical magazine *Private Eye* wrote "the Police are currently looking for a person fitting this description who was *not* seen near or at the time of the murder".
3. On the day of the murder Brian George, Murrell's neighbour (and gardener) arrived to find the door open, and he found signs of a "systematic" search within. George rang the Police using a different phone as Hilda's phone was not operating for some undiscernible reason. The Police later asserted the line had been simply ripped from the socket. Davies claimed a Police video of the crime scene proved this point. This is untrue. No such video was ever produced, if such a video had ever been made.
4. Nine months after the murder, George was finally interviewed and presented with a statement to sign by the West Mercia Police. The statement's content led George to state "casual burglar my eye".¹
5. If it had been a cased burglary why did the Special Branch (who deal with political matters) become involved going to the efforts of attempting to pass themselves off as officers, not of Special Branch but the Mercia CID.

There was, in fact, a tonne of such discrepancies but these provide a flavour of how Murrell's case had been handled. Yet the largest parallel between Paul White and Hilda Murrell was how each case revealed the

¹ *Enemies of the State*, Gary Murray, Pocket Books, 1994

close links held between the private security forces of the corporate world and the secret Police of the state.

In the British example, this relationship extended to Zeus Security Consultants, run by private investigator Peter Hamilton, who had asked Barry Peachman, of Sapphire Investigation, to carry out surveillance on “subversives” agitating against Sizewell.

Gary Murray, a former MI5 agent, stated in his book *Enemies of the State* that Hamilton was linked to “the highest echelons of British Intelligence”. This is not surprising as Hamilton was ex British Intelligence. Murray, like Peachman, was also a member of the Institute of Professional Investigators, a board that includes former officers of the armed forces, Special Branch, the Foreign Office (ie. MI6) and the English world of Spookdom in general. It’s members, who work closely with each other, receive training (including firearms training) at the expense of English taxpayers, from the British Army, Royal Air Force and counter intelligence units.

On the 17th April 1984 Hamilton’s sub-contractor Peachman shot himself during that aforementioned New Scotland Yard anti-corruption investigation. An investigation which sprang out of several allegations including assertions that a network of Police officers and private detectives were obtaining highly confidential information illegally from the Police national computers¹.

One of the companies to come to the fore of such allegations was Lynx Security Service Ltd, whose directors included David Godfrey, formerly of the New Zealand SIS. The former British Police Superintendent (in the West Indies) arrived for duty with the New Zealand SIS in 1962, where shortly afterwards he became embroiled in a student protest following the discovery that Godfrey, on behalf of the New Zealand SIS, was spying on university students.²

On May 23rd 1988 Lynx and Zeus would be introduced to the British Parliament during a series of questions raised by MP Ken Livingston, that underlined the use of such contractors by the Crown. Murray writes “there are occasions when even the SAS members are considered as being too close to the British Government³, which then uses a series of private security and secret service front companies to conduct security and training operations abroad.....they offer “plausible deniability” in

¹ The Masonic connection emerged when investigators noted that several leading underworld figures belonged to the same lodge as senior Police officers

² *Peace Researcher*, August 1991

³ I would have used the words “elements within”.

cases which would prove politically embarrassing if conducted openly”. Murray correctly asserts that various companies have served in this role including the SAS WWII founder, Colonel David Stirling’s “Watch Guard”, which held offices in London, Washington and Melbourne. Watch Guard later transformed into KMS, the security firm specialising in providing ex-SAS security consultants (later revamped as Saracen¹), who would boast of having “full size special forces regiments”.

KMS staff included David Walker of the SAS and Colonel Jim Johnson OBE, also former SAS (and also tied into the Iran-Contra affair, having arranged for British Mercenaries to train Contra mercenaries and South American hit squads (see *Out of Control*, Leslie Cockburn). KMS ties extended to the Indonesian government and other mining and oil installations in Asia and South America.

KMS further provided, as did its affiliates, the ex-SAS staffed firms of Saracen and Saladin (tied to Executive Outcome and Sandline) in providing VIP protection to clients mostly from the Middle East and Southeast Asia. As representatives of the British Government (via liaison with British Defence and British Intelligence) KMS also trained, during the Afghanistan war, the soldiers of both the Islamic fundamentalists and the Pakistan special forces.

KMS, in a similar role, would be ploughed into public disgrace when it’s mercenary special advisers were sent home from Sri Lanka after it was revealed that it’s people had been involved in human rights abuses.

The main offenders in this case were former members of the Rhodesian SAS who had reportedly come under the sway of the Israeli variety of KMS’s spear head. Previously, the Fijians, former members of the British SAS, had left Sri Lanka in disgust after reaching the view that the Israelis were more interested in arms sales than in helping to end the fighting.

The Fijian element underlined the close relations that the Commonwealth special forces have with each other. It is my understanding that the Fijians do not have their own SAS but that Fijian soldiers are welcomed into the regiment (having to undergo the same training required of all SAS soldiers) on the basis of this country’s high standing in military circles (in fact according to the book *Soldier I*, several members of the Iranian Embassy siege team were Fijian).

There is a popular myth (possibly a legend) of the Fijians in Vietnam wandering around barefoot in teams of four armed with two light machine guns each. Few soldiers that I have ever met with an

¹ Who held business affiliations with Executive Outcome.

experience of the Fijian military have a problem believing that story. (Which might contribute yet another reason for Vice-Marshall David Crook's reluctance to send New Zealand soldiers to Fiji during the coup).

The nature of the SAS, private contractors and dirty wars is further illuminated by John Pilger's own investigation of the SAS in Cambodia¹. Pilger reports that the SAS were sent to Cambodia to train the Khmer Rouge in minelaying. Thatcher's government denied this, but not credibly.

Yet in 1991, British Armed Forces Minister Archie Hamilton admitted that the Khmer Rouge had in fact benefited from "invited" SAS training. At this point it is believed that the training continued on a more covert level, carried out by private contractors who were also serving members of the SAS reserve troop - F troop 21 (AR) Regiment.

Its a unit consisting of former special forces soldiers of the Commonwealth. This training in F troop ensured that their skills remained in peak condition: like IPL this was done at the taxpayer's expense. In Cambodia the contractors also received financial support from the American Government. Little news of this however reached the printed page, due to new secrecy laws in the United Kingdom designed to protect "economic wellbeing" - the wording being a duplicate of the recent changes to the legislation governing the New Zealand SIS.

These private firms were being hired out to companies whose commercial activities are said to be identified with the "national" interest of Britain. In turn, there existed an even more ruthless contractor - of whom Gary Murray writes "we'll do anything if the price is right and this includes contract killings".

Gayle Rivers, a former member of the New Zealand SAS (attached to US Ranger operations during Vietnam) prior to working with Selous Scouts in Rhodesia in snatch raids in Mozambique, further alleges that such operations have included assassinations in Northern Ireland (carried out on behalf of the British military). Rivers, the author of *The Specialist*, however is a poor example due to his use of a pseudonym. Yet illegal Northern Ireland operations (which have implicated members of the New Zealand SAS) have included assassinations and agent provocateur style attacks as Green, Bruce, Holroyd, Stalker and Murray have all reported in similar findings.

¹ To which Pacific Express again could be linked.

To underline it, the five insiders with professional training all reached the same conclusion. The same investigators have little problem believing that such forces would in turn be used against the state's own citizens. Green, in association with his New Zealand partner Doctor Kate Dewes uncovered more evidence of this sort of tyranny following their introduction to Patsy Dale in 1996.

Patsy had done one thing to make her life a living terror. She had chosen to take a stand. A stand against the British nuclear lobby. Patsy's living hell began in 1973 when her son Stephen was born with a facial deformity. His father had been a sonar operator serving on the United Kingdom's first Polaris nuclear submarine, the HMS Resolution. Patsy subsequently discovered that five children, born to junior ratings on the same submarine, had all suffered some form of deformity. Patsy suspected an accident but Green concluded that the deformities were caused by alpha wave radiation emitted during welding work, which could have been prevented by the simple act of the welders wearing face masks. The decision, however, not to provide masks had been caused by a Ministry of Defence decision not to issue masks to avoid "nervousness".¹

In 1984, Patsy took part in a TV documentary, James Cutler's (Yorkshire Television) *Inside Britain's Bomb*. The other families involved soon broke contact with Patsy, having been threatened with the loss of their jobs, pensions and the legal consequences of having breached the Official Secrets Act.

By 1990, following a continual series of break-ins, Patsy fled to Northern Ireland. Within weeks "the same thing" harassing Patsy turned up in Northern Ireland, including surveillance by the occupants of a black Volkswagen bearing false United Kingdom plates. The intimidation continued. Patsy's bungalow was broken into, her notes tampered with or taken. The thug would in fact beat Patsy up four times and Patsy no longer has a phone due to the harassing phone calls. It was following one of these break-ins that Patsy contacted Rob Green because the thief, having stolen her notes for a book she was writing, "...had left behind photocopies of two pages from the first book about the case of Hilda's death (*Death of a Rose Grower*).....scrawled on the photocopies was the word 'death'."

The degree of harassment continued with Patsy being threatened with a shot gun forced under her chin. In some cases the harassment was witnessed by her son Stephen, who chased off the attacker hurling

¹ Brief on Patsy Dale case provided courtesy of Commander Rob Green

bricks as the thug fled. Yet despite this the Police in both Britain and Northern Ireland refused to believe her and stated that the bruises had been caused by domestic violence.

In Kate Dewes' Christchurch home, Green displayed photographs of Patsy's punched face, broken windows and, as I was shown, photographs of the large footprints left behind in the snow. These photos in fact do not, in my opinion, constitute final proof. Nevertheless this did not stop a grim feeling from creeping up my spine, the photographs were taken in 1990 – the subject had spent more than six years of living in total terror.

It is my understanding that eight years later the terror continues. Kate and Rob have both experienced such harassment themselves resulting from their own involvement in the anti-nuclear campaign. Harassment that has occurred in New Zealand and the United Kingdom. Albeit the scale is not as dramatic as Patsy's experience but the intent is no less intimidating.

Kate displays letters that have been ripped open, she points out that the letters had been found like this when collected at her personal home address and her post box at the Post Office. Like Patsy, she has also been receiving threatening calls. With assistance from the former Prime Minister David Lange she has also been able to authenticate, so she claims, that her phone has been bugged.

Dewes contacted Lange, who agreed to check it out.

His advice to her, she says, was that her phone was indeed tapped, but the spying had been contracted to either French or British intelligence services to get around legal restrictions on the SIS. Further harassment continued in New Zealand, with paint bombs thrown against Kate Dewes' residence. Dewes believes the attacks were carried out by right wing groups in Christchurch.

The connection of these groups to the State are worth examining briefly:

Current South Island far right wing organisations include Force 88, who popped out of nowhere in 1997, coinciding with Mike Moore's decision to make gangs a public issue. The sudden emergence of skinheads as the number one news story was assisted by a spate of "skinhead related attacks" within Christchurch, including an attack on a Somali woman and ending with the attack on an African male at Sumner beach.

The gentleman, who coincidentally turned out to be the head of the Christchurch Africa Association, was set upon by two skinheads who

then scarpered, leaving Police to charge a group of “petrol heads” who had gathered to watch the “entertainment”.

One source, familiar with the group charged, described the group as “so stupid they wouldn’t know how to spell racism let alone know what it means”.

The attack, which was said to have occurred for over ten minutes, took place within sight of a Police vehicle, but unfortunately the Police didn’t realise what was happening, and did not intervene until the original instigators of the attack had fled.

The National Front today can in turn be linked to the heavier and infamous Harris brother clique who are in turn associated with the Epitaph, the Nomads and in Timaru the white supremacist gang the Road Knights, a nice little group renowned for its hobbies of murder and sodomy¹.

The African victim’s rescuers were, in fact, an off duty Police officer and civilian whose own brother had been slain in a racially-motivated killing the year before. Subsequent investigations discovered that the Stormtroopers Gang could be linked to the National Front, led by a skinhead working for the Christchurch City Council who was being paid to rehabilitate skinheads.

For his work, the skinhead received a grant of \$15,000 from the Christchurch council and another \$35,000 from the Prime Minister’s Office Crime Prevention Authority. My Viking ancestors had a word for this form of payment, they called it “Dane Guild”. My ancestors weren’t stupid (apart from maybe St Vigen of Scotland). They took the money from the English King, said thank you very much, and then they sacked London.

There is, according to an individual associated with the Labour party, another Christchurch City Council employee, David Crawford (also associated with the anti-Semitic magazine *Heed*) who is reportedly a close friend to a very well known right wing former member of the Labour government. There is yet another individual within the City Council’s administration staff, in a position of influence, who in turn has links to the National Front.

Though conflicts and rivalries exist, the groups are in turn affiliated to the more Maori oriented Highway 61 gang, who have sat in with negotiations with Black Power and other groups discussing how to regulate, control and establish a monopoly on New Zealand’s LSD and

¹ My Roadknights source disputes the Nomad association and points out the RK sodomy image arose out of “one little incident”.

Ecstasy trade. (Such negotiations in fact used to take place upstairs at the Americanos bar on Hereford St, prior to the place being burnt down).

All of these groups are represented by accountants and lawyers with close ties to some of the most influential politicians and businessmen within this country. The gangs could not survive without the representation of these professional groups.

The allegations of Kate and Rob are not surprising, in that British Intelligence (in the form of Special Branch) are believed to have made use of right wing agents-provocateur during the port strikes of the Thatcher 'error' (era), and in the 1990's MI6 was found to be financing Neo Nazi groups in Canada during the time of the proposed separation of Quebec from Commonwealth Canada.¹

In a similar vein, both Israel and France also made use of right wing extremists like the World Anti-Communist League as Victor Ostrovsky, and Scott and John Anderson (the authors of *Inside the League*) claim.

Likewise in the Middle East the Italian Secret Service could be found financing arms utilising the Italian fascist movement. The French Intelligence service had affiliations with both the Franco government death squads and later the French OAS, both fascist movements. In fact the ultra right WACL (which had strong Neo Nazi ties) had links to intelligence agencies of the US, UK, Italy, Korea, Japan, Spain, South America, and France.

WACL chairman General John Singlaub, the former head of virtually all of the US Government's sanctioned covert operations, advocated at the WACL annual conference, in 1981, "low intensity actions such as sabotage, terrorism, assassination and guerrilla warfare" (*Inside the League* Scott Anderson and John Lee Anderson, Donald Mood & Co New York 1986).

That dirty tactics, like the examples provided above, could be employed within New Zealand, by a foreign intelligence agency or a corporate body, and that this kind of action would be tolerated within New Zealand shores, was underlined by the circumstances surrounding the bombing of the Rainbow Warrior.

It was in 1991 that I first came to suspect that not all was what it appeared to be, when I talked to a former Police detective turned private investigator specialising in the security of car yards. The private eye claims that he was one of the first detectives on duty after the bombing. Arriving at the station only minutes later, he was greeted by a man who

¹ *The Other Side Of Deception*, Victor Ostrovsky

identified himself as being from the Ministry of Internal Affairs (he did not, as I recall, state whether identification was shown or not).

The man from the ministry then handed over a series of documents concerning the identity of the bomber. Then the said gentlemen attempted to leave without explaining where the information had come from or why he was providing it. The detective objected, only to be told that if he valued his career he had better take the documents and shut up.

Yet the discontent that the Police felt over the case would resurface when I brought up the issue with Army intelligence officer Les Gee. Les initially described the story as “just fucked up rubbish”, saying he’d heard of a similar SIS cover up via a Police officer now acting as a security consultant for Telecom.

“The SIS had nothing to do with the affair and anyone who says otherwise is full of shit,” Les exploded, as he is prone to do on occasion. Yet eventually he calmed down when I explained my angle that the SIS were not in on the bombing but they had covered up the fact that data had been withheld from the Police until too late and that the Western Intelligence agencies may have known of such an attack prior to its execution. I pointed out to Les how British Intelligence had French agent Gerald Andries under surveillance as early as 1985 following British Intelligence having noted the purchase of a dinghy (later used in the bombing in May 1985). This matter had been brought up at the Joint Intelligence Organisation meeting, which the New Zealand SIS had been present at, on the 23rd of May.¹

However according to English writer Stephen Dorrill, MI6 information was far from specific and further clouded by a feint by the French intelligence service, the DGSE, who told MI6 of the plan to plant two agents in New Zealand in deep cover as part of a cover operation to stop gun running to pro independence groups in New Caledonia. The two agents being the now household names Prieur and Mafart, who were observed on their way to New Zealand via London by officers of MI5. *The L'Express*, and here it pays to be wary of the disinformation being run by DGSE at the time, alleged that DGSE director Pierre Marion, much hated by the right wing faction within the DGSE, had gone so far as to alert New Zealand of an “intelligence operation” to be carried out in New Zealand prior to the bombing.

¹ *The Times* 22 July 1991, *The Guardian* 12 July 1992, collaborated *Dominion* 21 May 1999

Dorrill asserts that the New Zealand Police rapidly arrested the two agents (with a speed which has surprised every writer of every book on the matter that I have read) to the surprise of French intelligence.

This rapid action was made possible only by MI6 via the New Zealand SIS, providing assistance to the New Zealand Police. Dorrill attacks MI6 co-operation at this point, claiming it was motivated more by revenge for the murder of two of its agents, Niall Campbell and Robert Graham, by French intelligence. Dorrill's view is based on a statement to this effect by Roger Vybot, the former director of the French DST (the DGSE main rivals). The Dorrill theory, which is very plausible, falls down in two primary ways I believe.

It is improbable (but not impossible) that no one at MI6 noticed that the French covert operation was unfolding as the French prepared for their nuclear test at Mururoa (the volatile relationship between France and Greenpeace was not exactly a secret). Similar claims of MI6 and the CIA knowing in advance were raised in the British documentary *Sink the Rainbow Warrior*, and in *The Rainbow Warrior Conspiracy* (which the producers assert was based on fact). The American pre-knowledge is interesting in that during the testing US Naval ships were allowed within the exclusion Zone at the invitation of the French Government. A British colleague with military connections also claims that it was common knowledge that the French sold their nuclear test data to most of the western powers including the United Kingdom and the US.

The situation remains that I have not talked to a single person within New Zealand or British intelligence or New Zealand Police circles who accept the official verdict. This decision extends to David Lange who feels that the western intelligence services also knew of the attack in advance. (*The Dominion* 29 May 1999).

The SIS would also get a walloping (this time probably unfairly) from Gordon Ashbridge, a former New Zealand diplomat, who writes in his book *Funny Foreign Affairs* that six months after the bombing his house was broken into. Letters were found "neatly stacked" on the bedroom floor taken from a drawer containing the equivalent of NZ\$1500 in foreign currency. Similar break-ins were noted among members of the French community.

Patsy Dale-like tactics would come following the return of the agents to Hau Atoll. During this period the New Zealand doctor sent to France to investigate Dominique Prieur's "stomach complaint" and prior pregnancy would have his house broken into. The radio was left on a

French channel while a switch blade was left on his table, so it appears the burglars wanted him to know.

Yet another opinion of Rainbow Warrior, considered by a number of investigators both local and foreign, was that the Rainbow Warrior was a deliberate attempt by right wing elements within the DGSE to embarrass the socialist Mitterand government. There was support for this from none other than Count Alexandre de Marenches, Mitterand's nemesis, the French version of William Colby, in the New Zealand International Review (July/August *WPR* Sept 1988).

Incidentally, the PO Box address for NZ International Review is PO Box 600, Wellington. This is also an address of the Security Intelligence Service, as I discovered during my own correspondence with them.

Marenches would go onto boast that under his direction the DGSE had sabotaged a number of peace movement ships without notice (Marenches was sacked in 1981). Marenches said if the Rainbow Warrior issue had been his call, "I would have gone to my friends in New Zealand, Australia and London and said we have a problem and what can we do about it", before adding "do not New Zealanders have problems of their own with the Maoris? The French Secret Service could perhaps have caused unrest and give assistance in these cases".

Elsewhere Marenches threatens that some interference in Maori activist politics and or the planting of arms on New Zealand Kanak sympathisers could have been employed by the DGSE to force a hostage swap between New Zealand and France.¹ In the end Marenches need not have been so dramatic for there was still one force to which the New Zealand government would bend.

Economic interests killed Hilda Murrell, economic interests killed Moyles, and economic interests were probably behind the death of Paul White.

Under Jacques Chirac's government in Paris, Mafart and later Prieur were repatriated to France after only a short period on Hau Atoll, and New Zealand - fearful for its butter exports - would protest very very quietly. On 19 December 1990 Attorney General Paul East directed the registrar of the district court "to terminate the criminal proceedings" against Gerald Andries, Roland Verges and Jean-Michel Bartelo, the core members of the DGSE sabotage yacht the *Ouvea*.

This followed the offer of Switzerland to extradite Andries who'd been caught with false documents in Europe. East decided not to seek

¹ *Pacific Island Monthly*, December 1996

Andries' extradition as "no good purpose would be served by allowing present criminal charges to remain outstanding".

The story that appeared in the *Dominion* on 19 December was next to an article that drug trafficker Aaron Cohen was to receive six strokes of the rattan cane in Malaysia. A classic case of between Emperors and pirates. Pirates have to bear the consequences for their crimes, the Emperor doesn't. The role of the secret police in protecting the captains of industry would be demonstrated no less clearly than with the illegal entry and the apparent frame up of anti APEC trade activist Aziz Choudry in Christchurch in 1995.

Choudry, I reckon, has eyes like Jenny Shipley, they're eyes that seem to say "I'm deeply unhappy about myself and bent on taking it out on every one around me". Nevertheless he's a man with a reason to be angry at the government or at least the SIS.

On July 14th, 1995 members of the APEC delegation met in Christchurch to discuss further trade strategies. For obvious reasons GATT Watchdog, an activist group opposed to the principles of free trade, were also meeting in an alternative forum designed to highlight how free trade was opening countries up for exploitation of indigenous communities, women, small farmers, small business and the environment, resulting in low wages, social devastation and environmental catastrophe.

During the evening one of GATT Watchdog's supporters Dr David Small, an education lecturer at Canterbury University, returned to the home of GATT Watchdog's chief coordinator Aziz Choudry.

As Dr Small drove up, he startled two men hiding behind the bushes. They took off, vaulting over the neighbour's fence, hotly pursued by David Small. The pair split up with one - a middle aged man - suddenly stopping dead in his tracks and whirling around to face Dr Small. During this confrontation the suspect admitted entering Choudry's home, and then took to his heels again. Small stayed on the pursuit, but his target was picked up by two men in a red late model Mitsubishi four wheel drive.

Like any good neighbourhood watch member, Dr Small noted the registration and rang the Police. Within a short time a Police cruiser had identified and immobilised the escaping vehicle. Just as police officers were about to leave the patrol car and approach the men they'd apprehended, they received a radio call from headquarters with an important message: "they were instructed by a senior Police officer, at

the Criminal Intelligence Service of the Police Headquarters in Christchurch, to cease the enquiry”¹.

The instruction was given on the basis that no criminal offence had been committed. The reason was simple, the break in had been authorised in a warrant, although questions later arose from the fact that the warrant was nearly a year old.

At 6:50am, four days later, Christchurch City Council employees discovered a cardboard box outside the Tuam St offices that a GATT Watchdog display had previously been removed from because of its “incompatibility with the message of welcome” that the Christchurch wished to give to the APEC delegates. The box was inscribed with the words “APEC BOMB” (*Press*, August 17 1996).

The Police called an explosives expert who dealt with what the Inspector General of Intelligence and Security acknowledged was not a bomb “but the way in which it had been put together and the ingredients other than the apparent explosives” made it a pretty professional replica. Thus indicating that it had been put together by someone who knew how to make a bomb. Trevor McQuoid, the Department of Labour’s senior inspector of explosives, classified it as “a sophisticated hoax device using a plastic substance “like powder gel”.

Having caught two strange men (later linked to the New Zealand SIS) Aziz Choudry and David Small, the Canterbury University lecturer, suddenly found themselves at the sharp end of a police search warrant relating to the hoax APEC bomb. The spooks might be burglars, but they’re not necessarily bright: the original search warrant named David Small as Choudry’s flatmate - he is not - and the officer leading the search greeted Dave as “you’re the head of GATT aren’t you?” As the *Peace Researcher* pointed out, that job belongs to the Geneva based Secretary-General.

In fact, Small is not even a member of GATT Watchdog. The flaws in the search were further highlighted, in that at the time of the hoax Choudry was a thousand kilometres away in Whangarei. It was soon apparent to Small that the Police searchers themselves were not actually expecting to discover a bomb or bomb-making equipment. The officers indicated to Small and Choudry that this was simply the SIS getting revenge, and police simply had to go through the motions.

¹ Inspector General of Intelligence and Security advice to complainants of conclusion on complaints by Aziz Choudry and David Thomas Small. (Senior Sergeant Lyall, press release Aug 1997).

Isn't it nice to know that - while Grandmothers are being raped in their homes and white collar criminals are stealing millions from taxpayers and then donating some of the loot to political parties – the SIS still has the time to make fake bombs, plant them on city streets, waste police time and resource, and then get protected by SIS Minister Jenny Shipley? For the record, there's no evidence that the SIS has ever spied on the SPCA, but if Australia is an example they soon might. News reports across the Tasman revealed ASIO once spied on a Teddy Bears' Picnic. Go figure.

If any member of the public had wasted police time in this way, they'd be facing criminal charges by now.

Further indications that there's no love lost between the SIS and the Police were expressed to Choudry and Small during a meeting where police showed them the official file on the "bomb", which describes Choudry as being at an "SPCA" conference (they weren't).

Meanwhile David Small, whose terrorist potential could be displayed by the fact he held his own security clearance approved by the Ministry of Foreign Affairs to attend the APEC Minister's meeting as a journalist, had with the assistance of his own media sources, traced the red Mitsubishi (used by the SIS burglars) to the offices of Amalgamated Office Services (AOS), 23 Warring Taylor Street, Wellington.

Sean Plunket of TV3 found AOS' unmarked second floor offices unattended, and the building's owners confirmed that AOS was in fact a front for an un-named government agency which the owner refused to disclose¹.

Subsequently the car had been de-registered (ie. the plates had been returned) just hours after the discovery of the APEC bomb. Vehicle Registration officials refused to disclose details of the car and subsequent searches by the media discovered that the motor registration computer was missing the relevant file (*Overview* 1996).

The only question I have on all of this is: why didn't the SIS simply infiltrate the protest group?

The role of plants is covered in George Fraser's book *Seeing Red: Undercover in 1950's New Zealand*. Fraser had been used first by the New Zealand Special Branch (and later the SIS) in undercover work within the Socialist Unity Party. The book goes a long way to confirm

¹ A little tour around your own Central Business District will reveal a number of unmarked offices.

the view of Les Gee (and others) that the so-called communist spin from the security services was a major beat-up¹.

Why would they do it? Well security agencies have been doing it around the world for decades. By making your enemy out to more powerful than they really are, or by making them appear to be omnipresent, agencies like the SIS and CIA get a bigger slice of the budget each year: in simple terms, it's the easiest way of making sure staff at the office get a payrise.

The public hysteria from the security services is demonstrated by Les Gee, via the case of former army intelligence operator George Hancock. "They took away his security clearance. It was an affair that was handled, so I thought, rather badly...it was an open secret that George had a friend in the Yugoslavian government (which, for the record, was as anti-Soviet as it was anti-NATO, despite having a communist political system). George made no attempt to disguise his association", Les continues, because there'd been no security problem in previous similar cases. "Another guy put down in the 1970's a reference who turned out to be an illegal Soviet resident, they just said can you put down someone else please".

And there are others. DB is an employee of the Government Communications Security Bureau (and is known to researcher and author Nicky Hager). DB is a former Socialist Unity Party member. The GCSB were aware of this when they hired him. In fact DB's references were also self-confessed SUP members. One of them Anita Summerville, a friend of mine, had in fact during her interview with the SIS been offered a job with the service (she turned the offer down).

In 1995 I met a man who claimed to have worked on the original design of the Wanganui computer, whose employment had first been vetted by the New Zealand SIS. At the time he was a card-carrying member of the SUP and had been for twelve years. During the summer of 1991 I asked DB if he could assist me in my enquiries. DB never returned my letter.

Yet shortly afterwards, as several of my fellow students in the political science department were being approached by the SIS (including one woman being approached by an SIS man leaping out from behind a tree during her morning run), I was myself contacted by the SIS via an agent W, as various sources within the military would tell me that the service was doing a background check on me. Agent W asked "Mr Vidgen, we

¹ This is not to allege that the KGB didn't run operations in or through New Zealand.

have reason to believe you can help us with our enquiries”. I arranged to meet James Bond at my apartment at 4:00 PM that same day. I arrived at 4:01 to find that agent W had left having been met at the door by my flatmate “Ferret” (I never did find out his real name), imagine an anorexic version of Vivian from the “Young Ones” and you are about on target.

The entire flat, which agent W could have seen from his position, was covered with Sisters of Mercy and satanical posters, and was painted black (I mean completely black). The one exception was the door to my room which was gloss white with the exception of the Soviet tank commander’s badge on the door. Having missed agent W, I rang the New Zealand SIS (the number is in the phone book) where I was curtly informed “I was no longer required on the SIS’ current line of enquiry”. Some people have no sense of humour.

Two days later a Telecom bill that I had been successfully dodging for a number of years arrived at my address which, until my contact with the SIS, had been listed neither with the University, the Army or any of the utility services.

So as you can see, not only are the SIS involved in cloak and dagger operations around the world – in their spare time they do a spot of debt collecting for Telecom!

Unlike Bimble and Gee I had one thing which the New Zealand SIS feared more than communism, a bad credit rating. I remain convinced that the SIS had been scanning me for possible recruitment and in the end I had failed the test not because of ideology but because of economics.

A friend of mine in Australia is more outspoken about his own experiences during an ASIO recruiting drive.

“I went to their office, the interview consisted of playing poker and I soon had the feeling that the more tits and arse jokes I cracked the more they liked me... they didn’t think, they’re just slob, I just couldn’t see myself working with these clowns”.

In Choudry’s case the clowns had been truly caught with their hand in the till. For the first time the SIS would admit to having undertaken covert operations against New Zealand citizens. Yet the lads at the SIS continue to give no reason for the break in. Nor would the Police officially say why Choudry and Small were suddenly suspects in the bomb hoax investigation (having remarked privately that it was an SIS grudge).

The General Inspector of Security cleared both the Police and the SIS from having any role in the hoax, a finding that surprised no one. As

Hager states of the new security legislation, “in fact it constrains the ability of Parliament to investigate the agencies, by for the first time setting out what MP’s are not allowed to know”. Hager continues, “there are no new constraints, limitations or controls on the agencies. All the new controls are on parliament - clause after clause about what they’re not allowed to know, what they’re not allowed to reveal¹”. In fact the Bill has been “widened to include ensuring New Zealand’s international well being and economic well being” states Labour MP John Blincoe. In effect if you consider what the wording means, it means that the New Zealand SIS are not out to protect just the New Zealand people but offering their service to the private sector as well, a very fine line indeed.

The definition of the Act has led Les Gee to state “Definition that is the big problem.... I don’t see this as unsolvable problem as some people say it is. It is just a matter of forcing the powers that be (TPTB’s), including senior civil servants, the ministers, and the politicians to address the question. They don’t because we (Sub Rosa) keep saying we’ve got more important things to worry about. However if we don’t we’ve got no chance of solving some of the more retractable problems”.

Gee suggests an adoption of the US system of an annual review (the last one to occur in New Zealand happened in 1976 and every single one of the suggestions raised by Sir Guy Powles was totally ignored). He believes this is vital “there is the possibility of abuse by an organisation. That is the perception of abuse held by the public which the intelligence community must address, instead of sticking our heads in the sand”.

He warns that by limiting the role of the IGS the security service is encouraging scepticism, suspicion and mistrust. “It’s okay for a minister to have scepticism but mistrust is what breeds things like the Oklahoma bombing. We should not be afraid of accountability, it reminds us what we are doing (and why). It reminds us who we’re working for and it ensures that we are meeting the right targets that are genuinely relevant to the public interest. The harassment of activist groups by those silly ex-colonial policemen (the SIS) simply reinforces the need for a review. For God’s sake, let’s do something before something serious happens. Do the security forces of this country really want something like the

¹ This allows a dangerous situation to occur in which MP’s who have no understanding of intelligence matters or procedures, may be fed disinformation by the service which may in fact affect the MP’s subsequent actions.

Watergate affair and that may well happen if we don't sort out our own house".

In defending the intelligence community, Gee states "most of the people feel the same way I do, they feel they're impinged upon, they feel they're being doubled up to do the same work as each other, and as there's no direction being given no one really knows what it is they're meant to do.

"If they were given the right to speak up themselves it would certainly help set productive agendas and let us know if the agendas were being met". As for the SIS, he scorches "there are serious questions about the professionalism and ethics of this body at least from the military perspective there is the feeling that they're out of touch".

The Choudry case reinforces Gee's opinions: "there are legitimate targets and illegitimate targets of no value whatsoever. The Small's and Aziz's of this world are not doing anything, it's just wrong to harass someone who is doing nothing more, as the SIS damn well knows, but noisily voicing their opinion as is their right".

"I'd say if you're being serious about economic well being then New Zealand has got less to worry about from Corso than it has in light of say, Highway 61".

The flaw, he argues, is in the analysis of intelligence and a dominance of military/police types in key industry jobs, without a balancing number of academic research types. This can lead to an 'us and them' police-type mentality and a focus on the wrong areas. It's a criticism which he directs against all the New Zealand intelligence agencies. Yet, within the military camp, Gee attributes the flaw to the centralisation and monopoly of power, by the old school. "RS (SNCO - considered primary mover shaker within the Army Corp) had a lot of power just because he was the only one left of his breed, unfortunately he wasn't the best of his breed in my view. Things got clique, things got too comfortable and as a result people became scared of anyone who looked like they could actually do the job".

Les Gee, in case you are wondering, lost his security clearance after a personality clash within Army Intelligence.

It can be a vindictive and childish business, as illustrated by the treatment of former intelligence agent Jill Williams, detailed in her interview with Rosemary Vincent (*New Zealand Woman's Weekly* May 2nd 1994).

Williams had lodged a sexual harassment suit against her former employers in the SIS, and detailed how the agency had hit back so hard it forced her husband Allan to leave the service as a consequence.

The agency's tactics of harassment – or more accurately her colleagues' tactics - included spraying her with a shaving can while a fellow agent mimicked shaving her hairy legs; finding her bed “apple pied” and, as she was sorting this out, two agents burst into her room.

It continued with a senior officer ringing her and suggesting she talk dirty to him. Another agent put his hand on her thigh while relaxing in a “working men's club”.

Williams says she was made to feel as if she was the “plaything” of her male colleagues, that it soon became clear to her that women were in the service for the pleasure and amusement of the male agents.

“Because of the cliquish nature of the SIS.....the way I was treated was at best very childish and at worst typical of the chauvinistic militaristic old boys network”.

Indications of how serious this childish and dangerously vindictive nature can be when combined with guile is also illustrated by the very manner in which the New Zealand ISL legislation was introduced for debate just two hours before the closing of Parliament, its introduction sponsored mutually by National's Jim Bolger and Labour's Helen Clark.

“Not only was the bill introduced at the last possible moment without any real warning, but the time given for people to make submissions on the bill - five weeks over the Christmas/New Year period was impossibly short” wrote Warren Thompson in the New Zealand *Monthly Review*. Thompson points out that the ISL not only limits which MP's can and can't look into SIS matters, but the public scrutiny is further screwed down by the Prime Minister maintaining the right of veto on who will and won't be selected to sit on the ISL committee.

It is, as Thompson points out, the genuine flaw of the ISL “even the more intelligent MP's know virtually nothing about the spooks nor about the legislation that [was] is being hurried through”.

It's a point echoed in the past by the former New Zealand spook master Brigadier General Sir William Gilbert. In an interview with Tony Reid in 1969 he said (*New Zealand Weekly News*, June 16 1969, as appeared in the university paper *Salient*, October 25 1974) “the files can be a bit misleading to the uninitiated, I could show you ones which describe upright citizens as security risks. But that might be graded F6 - untested information from an unreliable source - rather than A1”.

As to the need for some kind of oversight: “I give him (the Prime Minister) what he needs to know....”. Gilbert being the man who decides what the Prime Minister needs to know.

The complaints against the SIS were numerous during Gilbert's time, extending to allegations that the service acted beyond harassment to

providing information used in the assassination of its allies' enemies. In one case, prominent New Zealander Rewi Alley - a favoured visitor to China - returned to New Zealand in 1972 where he was placed under SIS surveillance. Upon returning to China, Rewi narrowly missed an assassination attempt in Hong Kong, widely regarded today as being the efforts of MI6. The information concerning Rewi's route could only have originated from the New Zealand SIS.

However to put this in its context, it's my own view that if the New Zealand security forces were engaged in Rainbow Warrior style terrorism then it is unlikely that the SIS would know much about it. In the main, their role is confined to indirect participation such as cleaning up or containing of the event should a scandal look like going public - happened in the Paul White affair.

The actual assassination of a domestic resident is usually carried out without the direct participation of government agents or officers, instead using methods employed by other western intelligence agencies. Put simply, the job is contracted out to either agents of separate allied governments (as the US did with Israel) or by former members of the security forces now operating in the private or underworld sectors.

In the event of the assassination of a foreign national or even a New Zealander located overseas, the security forces again operate under this means - the theatre of operations essentially a civilian environment. However if the event takes place within a military setting (such as Lebanon or PNG) or within the environs of a nation friendly towards the New Zealand security forces then the SAS may be used in such circumstances, although usually they'll operate under someone else's flag, on "secondment".

Secondment allows for a situation where no incriminating record of the operation is held within the New Zealand Defence Department. In the event of fatality caused by such involvement, it is generally the course of events for the soldier's (during peace time) death to be written up as having been killed during a "training exercise". It would be well worth the effort for an enterprising journalist to see how many soldiers in the past decade have been killed on exercise, perhaps by being run over by a tank (leading to a closed coffin funeral) or in diving accidents.

It is of interest to note where the New Zealand SAS has turned up in the past (see *Paradise Conspiracy* and *An Irish Legacy*, both by Ian Wishart). We encounter Gayle Rivers in Lebanon and Northern Ireland. Andy McNabb's "Mark the Kiwi" in the Gulf War and during 1998 the decision to send SAS to Yugoslavia for "search and rescue assignments". One source states that the New Zealand SAS also

undertook a number of operations in Syria during the 1970's and 1980's. The SAS have also turned up in Vietnam, Malaysia and Indonesia.

Declassified documents confirm that the tasking of the New Zealand SAS extended to assassinations.

CASPER who has several teeth missing and a long burn like crease scarring his forehead admits "I have done terrible things". In the second interview I asked "have you ever participated in assassinations yourself?"

"I can't say", he replied, avoiding direct eye contact.

In stating that he had confirmed the role of New Zealand troops in PNG (not the specific role, just their presence), not at the behest of the New Zealand government but because "it's a corporate thing".

Again the New Zealand SAS could be found in the Philippines following the death of two SAS in a US military plane crash during a counter insurgency exercise at Subic Bay, that according to Warren Thompson (*Peace Researcher* Sept 1997) included US troops.

Neil Lumsey, a former Warrant Officer in the squadron, has confirmed that the New Zealand SAS trained British SAS, Ghurkha and US special forces in specialist jungle warfare. The 33 million dollar unit (out of \$535 million Army budget eg. over 6%) has participated in 15 of the Australian "Combined 3" exercises (plus extensively with the Fijian Army) conducting training and liaising alongside the special forces of the US, UK, Indonesia, Thailand, Singapore, Malaysia, the Philippines and Brunei. Not one of these countries' special forces have not been indicted at some stage in either significant cases of state corruption or murder (with the exception of Brunei, who's absence is excluded on the grounds of my own ignorance).

The observant reader will note from the section Here come the generals that the SAS budget has increased by \$20 million since 1987, a significant increase even allowing for inflation.

There are low level indications that former New Zealand security personnel have been involved in theatres as far afield as Iraq, Chechnya and Dubai. Perhaps New Zealand should examine the relationship of the SAS with other Commonwealth nations. In Dubai, the fingerprints of the Australian SAS were found following complaints from the Maritime Union that a crewman aboard the Australian Enterprise had been handcuffed and a submachine gun put to his head after he stumbled onto an SAS training exercise. The incident, though downplayed, was confirmed by an Australian Army spokeswoman. This following an announcement by the United Arab Emirates that a scheme to train

Australian soldiers as strike breakers in Dubai had been cancelled after the Dubai union persuaded the International Transport Federation to threaten “a trade ban” (*AFP* Jan 20 1998).

The Australian government denied the SAS role, although I have heard at least one unconfirmed report of the Australian SAS taking part in maritime activities of this type.

Then there’s CASPER - allegedly a former soldier of the elite SAS regiment who resigned at his own request so he could undertake covert operations on behalf of the New Zealand “government” in a manner providing “plausible deniability”.

In CASPER’s case this specifically included the infiltration of the Maori activist scene along with “six others”, demonstrating that the SAS may have been used domestically as well. It is vital that the reader realises when reading any reference concerning CASPER that, due to the nature of his activities, his word should not be taken as an article of faith. CASPER may not be beyond providing information, or even exaggerating information, for his own purposes.

There is, however, the case of Ramon Anthony McMath Te Whiti, an instigator of the 1975 Maori land rights marches, and former member of the NZ SAS (*New Zealand Herald* 24 September 1998). Likewise, during a recon selection course, 1995, one of my co-applicants was a member of the police Armed Offenders Squad - he also claims the SAS were used in Ruatoria.

It’s worth noting that many of the members of the Special Air Service are Maori, which leads to a chicken and egg conundrum: which came first – the commando or the activist? And is it merely a coincidence reflecting the career choices of young Maori, or do these former SAS men still dance to the Government’s drum?

It is wrong to prejudge any individual on this matter, because all of us do different things in our lives and our political views may change over time, as the introduction to this book makes clear. However, one should also remember that former SAS troopers are not your average household pet. They have been brutally trained to follow orders, to kill, and to gather intelligence, and having been in the Army myself – I wouldn’t claim for a second to know the inner depths of an SAS soul.

“I’m retired (Pause) well as much as you can be” – CASPER’s statement makes it clear that when you’re in that deep there are no genuine retired or former agents. Blackmail is a wonderful means of keeping your soldiers in line and ensuring that when the “vacation” is cut short the company is parading on full strength.

For similar reasons, contrary to the Hollywood image of the young lone wolf, the boss likes his assassins to be mature, married and, even better, to have kids. Indeed without statistical support it's amazing how many of the lads of the Squadron (though I'm sure it's not the only requirement), are selected from long serving military families. I don't believe that this is random, for as the "boys" are aware 'if you screw up, you don't pay...everyone pays' - it's military rules. Rules that only a military family could truly understand. Some one would certainly ensure that CASPER paid for something (discussed later on).

Secondly, it pays to be wary of CASPER as, like many undercovers, he is not immune to a schizophrenic sense of loyalties regarding his masters, and those to whom he was sent to spy on. At the end of the day truth becomes not a moral matter but a flexible element guided by self-preservation. Thirdly, CASPER information should taken in the context that I have a personal bias towards him. For despite professional caution, and a full awareness that his persona contains a crafty and dangerous individual, I like him. In choosing to believe with faith, I have opened myself up to the risk of tainting my professional objectivity.

Nevertheless, CASPER's comments are mentioned, due to the corroboration CASPER has received through my cross-referencing of his statements with periodicals and with other sources possessing similar knowledge of the area, era and location about which CASPER speaks. Further, if CASPER has been honest, he illuminates the degree to which darkness emits from he heart of the State. If this is the truth (and I have tried to cite information where possible that authenticates his claims) then New Zealanders need to be informed of what CASPER has to offer.

Les Gee, another Army Intelligence official I have cited, and the only military one whose name is being used, bar the passing reference to my commanding officer at Force Intelligence, Wendy Heath,¹ is a contrast to CASPER. Despite his own conflicts with the inner clique (supported morally if not openly by the outer clique) of Sub Rosa he remains totally loyal and paradoxically is one of the most ethical people I have ever met within any branch of the service.

Despite Gee's personal issues his honesty and integrity are renowned, and for this he remains respected within intelligence circles. In Les Gee's world the sort of things CASPER claims are rubbish.

¹ Heath held the rank of Captain in the Territorial Force. By day she was a detective sergeant in the Police.

How crappy is crappy? According to CASPER crappy would extend to the ‘former’ NZ SAS soldiers who are actively involved, with total immunity, in the importation of drugs and weapons into New Zealand. Former military types are according to CASPER, actively connected to security forces, the intelligence service and organised crime, in operations that are approved at the highest echelons of New Zealand politics and big business. Perhaps the wings that pair with the dagger should be transformed into chains or a wooden spoon. Ironically, although our Government continues to maintain the fiction, with news media acquiescence, that our SAS troops are not in combat, a suspiciously-growing number of SAS young-bloods are now wearing combat medals. Where did they get them?

And it’s not just SAS. One Army contact reports that Regular Force soldiers serving on UN ‘peacekeeping’ missions have occasionally been engaged in covert combat operations. Correspondingly, a number of young Regular Force soldiers are also now combat-decorated. It should be noted that ‘combat’ includes intelligence-gathering and other specialist operations. The point here is that our ‘peacekeeping’ role in the UN army is not necessarily as benign as the public and the media are led to believe.

Yet even if we disregard CASPER’s contribution, the NZ SAS were certainly active in Africa. Their most frequent involvement occurred in Zimbabwe, the former colony of Rhodesia. At one point in the 1980’s the World Wildlife Fund was chaired by Prince Bernhard of the Netherlands (he still heads the Dutch branch). The chairman of the extremely powerful and far right organisation the Bilderburg¹ Society, hatched a plan to use former SAS soldiers recruited by David Stirling to hunt elephant poachers in the African state. The plan was however greeted with suspicion by the East African states, principally because the anti-poachers selected South Africa as the base of operations and because the unit was comprised of mostly white soldiers, former members of the Rhodesian SAS renowned for their racism. In fact it was exactly this attitude that caused the Fijian members (former British SAS) to again act on their principles and walk away. Before long, it was soon widely believed in military circles that the entire WWF operation was in fact being run to smuggle in weapons and destabilise the newly autonomous black African state.

¹ Linked in the past to the Trilateral Commission in the US, the Mont Pelerin Society in the UK and to many of the world’s largest multinationals.

Several newspapers ran the story and were promptly successfully sued by the Prince. It is however interesting to note that Brigadier Gilbert was the New Zealand chairman for the World Wildlife Fund, while the Australian branch featured Austin Lockie, director of CRA (1973-1981), mining director RTZ (1974-1983) and from 1988 to 1994 Lockie was also the deputy director of the Australian SIS.

In 1995 I encountered another military agent, SKULLHAND, in Queenstown where I asked him what he was up to. He announced he was quitting the Army and was off to hunt poachers in Zaire.

Prior to his time in Army Intelligence SKULLHAND had certainly been in the Rhodesian SAS and had, by his own account, as he told me during Operation Ivanhoe in 1991, undertaken undercover work during the Rhodesian conflict. Undercover work which extended to terrorist attacks¹.

The connections between NZ and this former colony are extensive. We have already seen how the former Rhodesian SAS officer Mike Graham can be found as a director of Minerva Security Consultants, which has an office in Zimbabwe. In turn, Ross Meurant's ties to the security forces of the African states were again underlined during his role in the 1991 surplus weapons scandal.

It has also been suggested that a number of former South African Security Force Personnel who emigrated to NZ following the collapse of apartheid can now be found in the New Zealand police, the intelligence services, and private security firms. There is finally the case of the former SAS girlfriend who talks of her boy friend Aaron being seconded to the South African Security Forces during the early 90's, his cover having been provided by a New Zealand multinational.

SKULLHAND was not the only New Zealand trooper in Rhodesia at the time. Count Michael Raphael Gabriel Subritzky served in Rhodesia, according to the *Aotearoa Who's Who*, as part of NZ's monitoring force supervising the end of the civil war in 1979. Subritzky's military record is most illuminating: 31 Battery in Dunedin, Royal New Zealand Artillery Regiment, (having been discharged from the Royal NZ Navy the same year). He remained with the Dunedin unit from 1971 to 1985. Between 1985 and 1986 he is listed being on attachment to Papakura Defence Headquarters, Wellington prior to moving onto the Territorial Service with 2 Canterbury Regiment in Blenheim from 1987 to 1996.

¹ In fact according to a separate source SKULLHAND never made it to Africa and ended up as a senior security officer during the 1998 Malaysian Commonwealth Games.

His listed overseas service includes Malaysia 1972 (28 ANZUK Field Regiment) and the US Navy Task Force Antarctica 1973 and finally the Royal Australian Air Force 2 Airfield Defence Force Squadron in 1986. The third dan blackbelt is also a prolific writer, having penned books including *The Subritzky Legend*, *The Scouse Graveyard*, *Subritzky Shipping*, *Donna Militaria: Gallantry Awards of the Roman Legion*, and *The Vietnam Scrapbook*.

The Count has Polish noble titles coming out his wazoo, and a sprinkling of others as well. The most notable being his Knighthood from the Sovereign Military and Hospital Order of Saint John of Jerusalem, the Knights of Rhodes and of Malta, awarded to him on August 31, 1990. This Order is more commonly known as the Knights of Malta, and less salubriously as ‘The Stormtroopers of the Vatican’.

Another recipient of the same award was Prince Bernhard of the WWF.

His brother and co-director of the shipping line Subritzky Shipping, Basil Subritzky is a little more subdued with just a few knighthoods including the Commander Cross Order of Polonia Nestitiita cited for active participation in the political struggle for Freedom of Poland (he was also awarded the Grand Cross Order of Saint Stanislas in 1994). Subritzky Shipping’s partners included Michael Tetley Jones whose chocolate biscuit laden fridge is located at 50 ANZAC level 2, according to my chocolate biscuit stealing friend, on the same floor as New Zealand Customs.

Two further SAS men to emerge from the Subritzky family are Sergeant Frederick Lloyd Subritzky, service no G43913, 1 Ranger Squadron, NZSAS, 1975-79, and trooper Frederick Subritzky (yes, another Fred) service no Y747545, NZSAS 1983-1989.

The more eccentric of this very unique clan is Bill Subritsky, millionaire and Pentecostal evangelist, whose missionary calling has taken him throughout New Zealand, Tonga and Fiji where the Pentecostal church plays a significant role in local politics.

Further New Zealand SAS Africa contact would emerge in 1995 with the death of New Zealand SAS soldier Lance Corporal Dan Flanagan, who according to *Assignment* was on a covert operation with British and Zimbabwe SAS units. According to *Assignment* the Corporal and five others had parachuted into bandit country to check out a “mock” guerrilla camp in Zambia, Southern Africa. According to British information Dan was (somewhat ironically considering WWF’s conservation work) killed by an elephant. Mrs Flanagan however found four holes in her husband’s chest when viewing the body at an Auckland

funeral home, “I asked one of his SAS friends at the time and he told me it was just the result of the embalming process, I had no reason not to believe him”.

Or possibly the elephants are now arming themselves with Glocks.

The story however is significant in that it tells something of the pressures of being married to the SAS, “often he would come home to tell me he was going overseas for an unknown period of time. I know what he would say to me now if he could - leave it, don’t make a big deal about it”.

She explains she wants to know so she can tell her children the truth when they’re old enough but she fears repercussions from an organisation she put her trust in.

“I’m scared I’ll get into trouble with the Army. They helped me a lot when Dan died and I did trust them, I’m not sure now, but what can I do? They’re bigger than me, they’ll squish me. For now I just need to keep to myself” (*New Zealand Press Assn*, Nov 28 1998).

People think the men of the SAS are invincible, they’re not. They are human beings who, regardless of what they are ordered to do, are people that in my own experience have a high sense of integrity, courage, intelligence and surprisingly even a sensitivity, albeit this is a quiet and guarded aspect of themselves.

People don’t join the SAS because they have a taste for psychotic murder. They join for a number of reasons but mostly because they have a drive, a need to be the best.

An example of this is *The Nemesis File* author Paul Bruce, and the origins of his need are clear: a brutal war-hero father who was constantly telling him he was crap.

My friends include six sons of New Zealand SAS soldiers, and an ex-girlfriend of an SAS soldier. I look at each of the sons and whatever fields they have chosen the excel, they’re all introverts and they all have a reasonable amount of suppressed anger. Three chefs, absolute perfectionists, one artist, and the other two never found their niche - Joe I don’t know what became of him but at school he was always getting into fights. The other a very articulate and well read skinhead. His father a Vietnam SAS veteran would dig an artesian well and leave him down there for two days to “toughen him up”. One of the chefs, great fun to be with, but he’s a workaholic, drinking a bottle of sambuca a night and smokes an ounce of weed a week, describes his family life as hell. The two chef brothers talk of having to cut the front lawn with clippers “dad would then come out and randomly measure it and if it

was over the regulation height we'd get a hiding". The girlfriend talks of a charming person "who would never let you get near".

CASPER has the saddest eyes in the world, CASPER doesn't drink "anymore". Paul Bruce talks of binge drinking sessions and it is not surprising as one of my associates (the Scottish Terror), who has extensive military knowledge of the British military forces points out "there's zip rehabilitation when you come back from a mission and if you show any signs of being emotionally affected, it's RTU" (Returned to Unit, expulsion from the SAS, the end of the world for a Squadron member).

It's easy for activists to slag the SAS off as cold-blooded killers, but they have no idea what military training does to you. You spend weeks of pain and at the end you get your belt and you feel like you have accomplished something, for it to be ripped off you would be devastating. I've gone full circle, but even to this day I can recall my service number without blinking: D771791. A lot of my attitudes remain the consequences of my military training having been ingrained into me.

Yet we're not talking about some wet-nurse, cut-lunch basic. SAS basic lasts effectively two years. That's two years of physical and mental torture. By the time you get your hands on the much coveted wing daggered beret it's literally become your life, and the soldiers around you are literally more important than your own family, they're the only ones who can possibly understand what it is that you're going through. You live in an enclosed world, and the first rule of that world is that everyone outside is not to be trusted.

"They knelt them against the wall and said 'right, you bastards!', shooting them in the head. The Thatcher government had decided that any terrorist coming to England would not leave even if it meant doing away with the legality of trials." (Chris Harris, a hostage and reporter during the Iranian Embassy siege in London that was ended by an SAS raid).

There was a time when I myself would have thought that was an entirely fair response. Hey sucker pick up a gun and what do you expect, play with fire expect to get burnt. Then I started researching the nature of terrorism and finding that behind a man's anger you will always find someone willing to manipulate that anger - providing the funds, organising the missions for the 'expendables' - and I came to change my mind.

I don't like the Thatchers of this world and I don't like what they stand for, most of the people that I have encountered within squadron and

similar military units feel the same. If the terrorists represented the pirates then Thatcher's ideology would represent Alexander the Great, a tyrant who thought he was a god.

The point I'm making here, and I'll put it in bold for the media commentators and talkback hosts, is this:

In this world we face many problems. Spiralling crime rates, organised crime, even welfare fraud. But we are guided to train our criticism on the little people, while the big fish toast their own criminality with caviar and champagne, and enjoy a little joke about the stupidity of the news media and the public.

Wake up and smell the coffee: Thatcher and Bill Clinton are bigger criminals, in my view, than anyone you'll find in a New Zealand jail, but because they are upper class they are apparently untouchable. That is why people who know how the world really works become so cynical.

Do I still hate terrorism with a passion? Yes, I think that is apparent in my writing, I just think there's a better way of tackling it, and that involves identifying who is *really* pulling the strings, and why.

Today, a great many of the soldiers of the Iranian SAS embassy siege are dead, killed in dirty wars which had nothing to do with removing Excalibur from the stone. Dirty little wars made to make dirty little men rich at the expense of the weak. I can't believe that most of the people that I have encountered would ever have become involved with the squadron had they known where it would lead them.

For Frank Collins, the youngest of the Iranian Siege team, that path led to the priesthood, yet prior to releasing a book on his own role in the SAS he took his own life, the official verdict would state "because he felt there was no challenge left for him". If we take the inquest at face value then I think they're wrong, I think that regardless of the escape that religion offered, regardless of the support of his wife, Frank took his life because he couldn't get pictures such as "right you bastards" out of his head.

The shooters didn't use the word bastards because they hated the terrorists, they used it because shooting someone in the back of the head is something that no human can do easily. Morals aside, it goes against instinct. In a similar vein another "ex" Australian Army-made assassin says, before shooting his victims, "please don't ask for mercy".

Why bother? Because even though he tries not to think about it, it bothers him and when he sleeps at night the eyes of his victims won't let him rest. Outwardly he's fit, alert and sharp, inwardly he's stuffed. The

outside world is a very scary place for members of the squadron. The outside world is a scary place for anyone who has been institutionalised.

No SAS soldier expects to be carrying out cold-blooded hits, at least not against civilians. The system changes from army to army but I envision that the first years of life in the SAS might be exciting but they're hardly illegal (well only a little). Yet as the soldier's career progress, and depending upon what field your unit is assigned to, it becomes harder and harder to walk away: either because you have to face what you've done or because it means facing the fact that you can never become a civilian again, that forever onwards you will be the property of "The Powers That Be".

This of course cannot be applied to every SAS soldier but there are those who have been faced with unlawful orders "in rooms beyond the law". And before passing judgment, you should ask yourself how you would react in a similar situation. After all, for every legal assistant who helps their boss design fraudulent tax deals, or every craven newspaper hack who hasn't got the guts to run the real truth in a newspaper – isn't the issue exactly the same?

I guess what I am saying is before we attack the men of the squadron let us not forget that every one of them, regardless of their reputations, is simply a product of their environment. This is significant in that when you consider what that statement literally implies then you're touching upon matters that we all have to face at some time and if we do live in a nation state that allows operations of the squadrons to exist it's because of the state of our own personal fears.

Mao is not exactly one of my favourite people in history, nevertheless he once said something that is specifically relevant to the current situation in NZ "people get the governments that they deserve". I would alter that statement slightly to "people get the governments that they feel that they deserve". Thus while the dark clouds on the horizon always bear watching, we should never forget that at the end of the day the answer will always lie close to home in our hearts and in our minds.

CHAPTER TWELVE THE POLITICS OF TENSION

“Turia expressed her resentment towards those who are using that information to exacerbate the situation. ‘I feel concerned the research may be misused. I’m learning a lot about politics and a lot of it I don’t like’” - TARIANA TURIA The Independent March 1998.

“Surprisingly the trade was not conducted by a professional criminal class in New Zealand The Achilles heel of arms supply to the Maori was an almost total reliance on offshore supply...” Gun Running in New Zealand - Major G.J. Clayton MA RNZAEC Pacific Islands Monthly April 1994.

In Fiji much has been made of the intertribal conflicts and the separatist tension of indigenous Fijians versus the Indian majority. Yet one significant factor was not allowed to be included in the official analysis, the arrival of the survey ship *Babale*, a ship with Emperor Mining connections.

The *Babale*, with its cargo of Uzi machine guns¹, arrived in Fiji from Singapore - not during or after the coup but three days before the coup.

When it comes to talking about Maori militant activism, a similar flaw would be demonstrated in the analysis. When Fiji erupted the media took the line “it happened there it could happen here”. The same press jumped on the most tenuous connection between the Taukei rebels in Fiji and the Maori militants within New Zealand.

This included Veisamasama’s overtures to the Maori community which were received warmly right up until he stated “his movement’s dedication to the case of indigenous Fijians was similar to the Nazi’s dedication to the German people.”

Veisamasama added, for good measure, “the difference is that the Nazis were misguided [some would say manipulated] but the Taukei movement is not”.

It didn’t matter. At the word “people”, the majority of Maoridom turned and walked away, only the angry and the deaf remained. In a

¹ *Time* magazine, June 30, 1987, reported a connection between *Babale* and Barron Offshore. The ship itself was partially funded by AusAID as part of a defence aid project. In 1999, a plane crash in Fiji claimed 17 lives – most of them AusAID workers.

similar vein the papers of the right wing and the rednecks (the tabloids) would go crazy chanting “See! see? what did we tell you?”, when a Maori activist turned round and blurted “Kill a white go to heaven”.

A similar surge of fear mongering broke out when yet another activist of the same cell Hana Te Hemara told Auckland University law students that the Fijian Indians were “lazy”. There was a question of the matter of context in which these statements had been made but this was ignored and brushed aside.

The press again flew their true colours – the Jolly Roger – when, in 1997, Tame Vairere Iti appeared before the court in relation to firearms charges (*Press*, Sept 13 1997).

A single sentence was paragraphed so as to stand out from the rest of the story “the youth said he thought the firearms were automatic”. That a weapon had been present, and what that says about Iti, I do not dispute. Yet its scale and context had once again been exaggerated and altered. The message for sale was clear: beware Mr and Mrs Middle White Middleclass, the Maori militants equal the trench coat Mafia.

We had seen Freeman in Fiji, we had seen his connection to the Taukei and we had seen the involvement of ETO’s ally, Emperor Mining. The question was, could those tactics be employed in New Zealand in relation to the Maori militant movement?

The largest shareholder in Emperor Mining? Technically the answer was Western Mining, the Australian firm. Yet the more specifically accurate answer is that Western Mining in fact managed the mines on behalf of a secret owner, held in trust of “ANZ nominee”. That owner according to *WPR*¹ was in fact New Zealander John Spencer, a man whose personal wealth exceeded at this time over \$700 million. Legal vet news search

Spencer’s interests included Caxton Printing. Spencer in turn was involved, via Caxton, in Cook Islands based Harmony Securities, one of the firms which Bruce Judge, in collusion with dodgy Cook Islands offshore banks, used to swindle \$70 million. We had already been shown the connections that Freeman’s partner in ETO, John Victor Evans had held to both the Muldoon government through Sir Laurie Francis and the RSL Equities scam, otherwise known as the “Gang of Twenty” affair. The Gang of Twenty affair had ironically resulted from Justice Department lawyer Keith Petersen being pulled off his investigation into the collapse of the Waitiki Tourist Development

¹ *Dominion Sunday Times*, 26 Nov 1989; *Sydney Morning Herald*, 15 Nov 1989; *WPR*, Jan 1990

Board (would have dealings with both Rocky Cribb and the gang of twenty). “Which left 107 creditors and \$400,000 out of pocket implicate the Maori trustee”.¹

Only a few years later, in 1990, the Maori trustee was again under fire following the default of promissory notes, guaranteed by the trusteeship, in relation to a \$10,000,000 stake put together by Sir Graham Latimer on behalf of the Maori trust board in the QUINZ consortium to by the Quality Inn chain.

Petersen, thwarted from digging deeper, had selected John Victor Evans and the RSL scandal as his new bone. Yet again Petersen was sacked and the media had a field day attacking Petersen, his Gang of Twenty allegations and anyone associated with them: specifically Petersen’s co-conspirator, veteran investigative journalist David Hellaby, then of the *Dominion Sunday Times*.

This time, Petersen didn’t get his old job back, and the lawyer and Hellaby were vindicated following the collapse of RSL, Landbase and the convictions of the people named by Petersen, including Evans, as being involved in fraud. Perhaps one of the most violent critiques of Evans and Petersen would come from, surprisingly the *Listener* (which was quite liberal at the time), an article written by Murray McLaughlin. (*Listener*, July 30 1988) The article targeted on Petersen’s statement “the *Dominion* reporter (Hellaby) and I reached the tentative conclusion that the dealings we had separately examined could well have been used either wholly or partially to cloak drug related money laundering”. He had continued to harp on at the time. The suspicions remained in the realm of fancy. McLaughlin missed the point, I believe, as he had chosen to gloss over:

1. Petersen’s use of the word “tentative”.
2. That two separate investigators had looked at the same details in their total and had both reached the same verdict, something fishy here and it needs further investigation”. Petersen admitted then as he admitted to this writer during a brief phone conversation, that neither he nor Hellaby knew the purpose behind the scam. Their actions had not been launched to declare what the nature of the scam was but to alert us to the fact that a scam existed and they had been right.

¹ *NZ Business*, October 1988; *NBR*, July 12 & 20, August 8, 1988

It appears to me that McLaughlin placed a little too much weight on the word of conman Ashley Palmer, in questioning the actions of Hellaby and Petersen. His story wasn't an act of conspiracy, just an act of ignorance in my view. Hellaby had been led to the Gang of Twenty when Palmer on the verge of being exposed for his role in a \$2.5 million GST fraud had promised a bigger story including "high intrigue and international espionage".

In the meantime Palmer had gone to the tabloid *Auckland Sun* explaining how this whole yarn was in fact a con in itself. Palmer said he found it hard to understand how he managed to keep a straight face as he strode eight paces from a pine tree and then started digging to recover the tape he had earlier recorded with a friend – a fine piece of theatre for the benefit of journalists who had simply assumed that Palmer's first story was the false one and his second the true one. Yet we have seen earlier that Evans did have espionage connections both through his association to Freeman and in turn through his association the Fijian based ETO.

Further on the edges of RSL names like Rocky Cribb could be found, and the Maori trustee, names which certainly were traceable to the fringes of international espionage as the Maori loans scandal highlighted. The affair had begun in June 1986 during the disastrous Maori Trade loans when the Department for Maori Affairs was introduced to a native Hawaiian organisation called Uhane Kahea. The introduction came via Rocky Cribb who, during a convenient holiday in Hawaii, was investigating business opportunities for the Department, the most promising being a kitset modular housing project, which just happened to be owned by United Finance and Security.

In September Cribb then met with Uhane Kahea business consultant Charles Heen. Shortly afterwards Heen offered, through Cribb, "a wholesome and worthy" loan of up to US\$300 million (NZ\$600 million) provided by one Michael Gisoni. The terms were simple, 25 years at just 4 percent, the finder's fee a whopping 6 percent equal to NZ\$36 million just for arranging the loan. The honey had been poured and now it was time to hide the sting, which came in the form of a condition that the loan had to be signed off between middleman Max Raepple at a face to face meeting with an authorised New Zealand Government Minister, with the draft of the said loan being signed by the New Zealand minister. Also a signatory at this point was to have been Stephen Thomas (enter the CIA stage right). Thomas was widely recognised as a professional officer of the CIA. Consummation of the loan would take place with the source on December 2nd. The source

being “Omu”, a member of the Royal Family of Kuwait. One problem, Omu didn’t exist and neither did the loan. This however would not have stopped (until too late) the Department of Maori Affairs from spending the loans - a task that would again be assisted by Cribb. Investment schemes proposed by Cribb included

1. 1000 kit set homes for a development in California.
2. Construction of a tourist hotel in China.
3. \$US320 million resort in Hawaii.

Cribb and Department official Dennis Hansen, in their investigation of how the loan could be spent, were then introduced to Robert Coleman Allen and Rayner Kinney.

Bob Allen would later be the central character involved in the CIA scandal of Bishop, Baldwin, Rewald, Dillingham and Wong (BBRD & W). The CIA denied that Rewald was a CIA officer during Allen’s subsequent trial for fraud and embezzlement, yet there are a number of points that under cut their claims including:

1. The CIA also denied that Rewald was a CIA agent or that any of the ten people named by Rewald were in fact CIA agents. Yet six bundles of BBRD & W documents were subject to a court order classifying them on “the grounds of national security”.
2. Rewald faced 98 charges including perjury. The perjury charges linked directly to Rewald’s statements that his operation was being run on behalf of the CIA. These were dropped by the prosecutor after the judge ruled Rewald was entitled to CIA documentation to defend himself.
3. The prosecutor was John Peylon who happened to be the same attorney that the CIA had hired during their attempts to prevent former CIA agent Philip Agee from writing his own book on the CIA activity in South Africa.
4. The one witness that Rewald did manage to get approved in his defence was John H Mason, a former CIA officer in the CIA’s corporate cover branch who confirmed that he had recruited Rewald in 1978.

5. B & B consultants also included Clarence Anderson, lawyer for B & B who following the firm's collapse returned as the briefing officer to the Commander in Chief of the Air Force's Pacific Command.
6. Rewald lost the trial but his allegations that BBRD & W¹ was being used to help Cambodian Prime Minister, General Lon Nol, loot Cambodia, to create kick backs and bribes, to establish arms deals for US contractors and to recruit CIA assets in India, Brunei, Indonesia and the Philippines were certainly consistent with past operations and methods used by the CIA at this time.²³

BBRD&W operated in both the Cook Islands and New Zealand, their New Zealand office address being 23 Victoria St East, Auckland via New Zealand accountant David Appleby. Appleby later admitted that CIA officer Bob Jinks, BBRD&W's man in New Zealand and Auckland that the BBRD & W did "contract" work for the CIA. Rewald and Bob Jinks had both been present at a party with Sir Tom Davis in the Cook Islands in 1983. Other guests had included Jack Kindschi, former chief of the Hawaiian CIA station. Captain Ned Avery who had set up the BBRD & W Sydney branch and Arnold Brasswell, a former USAF general involved in arms deals to India - one of BBRD&W's consultants.

In passing it might be significant to note that Sir Tom's own career included a stint as a research scientist in the US where he worked at USAF Aeromedical laboratory at Fairbanks Alaska, US Army's medical research laboratory at Fort Knox and at the Army National Institute of Environmental Medicine, Boston.

On 21st October 1986 Winston Peters started asking questions in parliament about Cribb. Maori Affairs Minister Koro Wetere said reports on Cribb were "satisfactory". Cribb had been adjudged bankrupt in 1982, but the bankruptcy was discharged with a payment of \$200,000, less than a month before Cribb's Hawaiian "holiday".

¹ *Disavow: CIA, Saga Of Betrayal* by Rodney Stick & T Conan Russell, Hallmark 1995. Documents Ron Rewald's CIA ties, using documents from within the CIA itself to finally prove the link.

² Material on these issues from *NZ Monthly Review*, February 1987

³ Material on these issues from *NZ Monthly Review*, February 1987

Only weeks after the Hawaiian joint venture United Financial Services Ltd would collapse with debts in excess of \$5 million. About this stage some one wised up and Treasury officials were called in to investigate the loan.

Treasury looked at the loan, Treasury looked at the people involved, Treasury looked at the Department of Maori Affairs who eagerly asked “gee what do you think?” Treasury looked again at the Department, realised that they were serious, then blinked and replied “I don’t think so”.

No loan, no scandal - you would have thought. But the media didn’t think so. With a mixture of Winston Peters’ long wooden spoon and the arrival of Max Raeppe flanked by his four body guards at a Maori Hui, the press were having a field day.

Question, had the loan gone through what would have happened and who would have been left looking stupid? Answer, David Lange and his Anti nuclear government. It would have been Gough Whitlam all over again with race relations left in tatters.

Yet CASPER also alleged that there was not one “Loanbox” but at least two. It’s a claim I initially dismissed until I uncovered the following in People Aotearoa: Another Honolulu Loan Scam, *WPR* January 1988

“Almost exactly a year later another Maori loan scandal is being alleged by PM David Lange, with several of the same people in both Aotearoa and Hawaii. The scandal in this case being the way in which New Zealand government funds were lent to the company. This would offset claims by “a former government intelligence source” that the New Zealand External Intelligence Bureau had officers in the Department of Maori Affairs (Dominion 13 Sept 1987), a claim denied by Gerald Hensley, coordinator of domestic and external security, who said the EIB was involved primarily in research and analysis of events outside of Aotearoa. There was no secondment of EIB officers to other departments (Dominion 14 Dec).

The naming of the EIB was interesting because in Parliament that year David Lange admitted that Cribb had been put under surveillance by New Zealand officers during his tour of Japan. Further, in May of that year the King of Tonga had visited New Zealand according to *Wellington Confidential* (Citing *The Sunday Times* as the original source) for the purpose of forming a Polynesian network to achieve greater financial autonomy for the indigenous people of the Pacific. CASPER claims the loan schemes originated offshore, outside the jurisdiction of the New Zealand SIS.

The question remained: was there any evidence to suggest that the second loan had been connected to a Pacific network established from Tonga with the aid of the Royal Family?

Could a link between Tonga and Libya be established, in turn, to further corroborate CASPER? The answer to both these questions was “yes” and “yes again”.

In 1987 Mohammed Khashoggi, the son of Adnan Khashoggi, had entered into discussions with the King of Tonga, on a number of commercial ventures. These included a bulk oil depot, a hotel, and again an upgrade of Tonga’s International airport. Allegedly this depot was to be used to bring supertankers of oil from Iran at the rate of one a month. In this manner Mohammed hoped to circumnavigate the US embargo on Iranian oil.

Ian Wishart’s own contacts in the international intelligence community provide the full, never before told story:

“The first thing you have to understand about Tonga,” explains one source, whom we’ll codename BERLIN, “is that the Kingdom of Tonga has been used and abused by the Central Intelligence Agency and the Japanese Yakuza. Tonga and Fiji are riddled with CIA, through and through, and if you think of Tonga as anything other than the CIA’s first sovereign state, you’re mad. The Tongans may not realise it, but that’s what’s happening.

“Back in ’87, Adnan Khashoggi had a few problems. The heat was coming on big-time over the Iran-Contra scandal, and he needed to be able to move around without being pinged by the authorities in various places.

“So he and Mohammed went down to Tonga on a mission: they wanted to buy Tongan passports. They did a deal with the King, who sold them Royal Tongan Diplomatic passports for about a million dollars. That meant the Khashoggis could continue moving in and out of Europe and America without fear of being arrested – if they were questioned they could simply claim ‘diplomatic immunity’.

“Now, you also need to understand that Tonga is a feudal state, and the Royal Family is not united. You’ve got the King in one corner, the Crown Prince in another, and the eldest Princess in another. And there is the same plotting and scheming you get in any powerful family.

“Now Khashoggi did the deal with the King, so that money went into the King’s private bank accounts, which are largely held here in the US, in San Francisco. But then, while they were hanging around Nuku’alofa, they got talking with other factions in the Royal Family.”

What they were discussing was the location for their planned oil depot.

“Yeah, that was a biggie. That was Libya. Qaddafi wanted to help Iran beat the US oil embargo, and Khashoggi was the man set up to arrange it.

“But there was one little fly in the ointment. The last thing we wanted was for Qaddafi to get a Libyan construction force on our island.”¹

But if you’re thinking that the involvement of arms dealer Adnan Khashoggi, Libya and the CIA on Tonga is a big story, it’s about to get even bigger. As Ian Wishart discovered, Fay Richwhite & Co were also involved. The Tongans wouldn’t be paying Iran for the oil in cash: they’d be paying in raw materials like steel and cement, materials Iran desperately needed to rebuild the war-torn nation in defiance of US trade embargoes.

“Fay Richwhite,” explained BERLIN, “were introduced to the King of Tonga’s adviser, Chris Thomas², who was an American guy, who travelled to Auckland to meet the bank. Fay Richwhite were pulling together the reverse leg of the oil refinery project – the bits that could be handled by New Zealand and Australian companies.

“Fay Richwhite brought in Fletcher Challenge, who would buy Chinese cement, for Chrissake!, and as I recall other material was being handled from Australia.”

And the story gets bigger still: the Tongan oil refinery became a bargaining chip in the Iran/Contra issue.

“Thomas was about to fly to Iran to seal that end of the deal when the boys over at State [Department] warned him off. The war broke out a couple of days after that. That’s when we became more directly involved.”

According to BERLIN, the CIA gave guarded approval for the refinery and steel and cement swap to go ahead, provided that oil would only be permitted to leave the Tongan refinery if Iran secured the release of hostages seized by Islamic militants in Lebanon: “it has got to be tied to the hostages.”

But the CIA didn’t get the guarantees it wanted, and began looking for ways to torpedo the Fay Richwhite/Fletchers/Tonga/Libya/Iran oil deal. The first seeds of discontent were sown with the revelation that the King’s daughter had secretly arranged for the refinery to be constructed on her land.

¹ There is a dispute over Libyan/Khashoggi involvement in the oil deal. US intelligence sources, as quoted, suggest they were. Others in Tonga say the Arab influence was in unrelated areas.

² Not his real name.

“We made sure that the King found out, because he had wanted it built on his land, and he was pissed that he wasn’t getting a cut from this part of the deal. I mean, yeah, the King was going to get huge royalties on oil sales, but the refinery wasn’t on his land. And we made sure it reached the ears of Tidewater.”

Tidewater was highly influential in the oil business, and it was owned by former Texas Governor John Connally – the man who was shot alongside President Kennedy as they drove past a grassy knoll in Dallas in 1963. Kennedy, as we all know, died that day. Connally survived, and the Texas Governor would go on to make some very interesting friends in the 1970s and ‘80s.

Connally was tipped to be a Republican presidential candidate, but the time was never right. He sided with the Arabs in the Arab-Israeli conflict, and fell into the orbit of drug and crime bank BCCI. Although involved in several major BCCI deals in the US, Connally’s failure to make the Whitehouse saw the drug bank begin cultivating a relationship with Jimmy Carter.*

But back to Connally and Tidewater:

“Connally sent his boys down to Tonga, and they jumped up and down big time in front of the King, and in front of the King’s American adviser. Initially they wanted in on the refinery project, but the King didn’t like the terms. Tidewater basically controlled US oil interests, and there was no way they were going to stomach Iranian crude on the market in Tongan barrels and bearing Libyan labels. The message from Connally was: ‘this is ending now’.

“Now in the interim, plans were pretty well advanced for this oil depot, and three Iranian officials flew down to Auckland to meet the King and Thomas there.”

Thomas, a colleague named Mike Rivera and the King waited in Auckland for their guests to arrive, but the bust-up with Connally reportedly put Thomas on edge, and he called a friend in the US State Department.

“Stay on the line, I’ll check it out,” said the official, who proceeded to call New Zealand. Thomas and Rivera listened silently on a speakerphone while State conferred with someone in NZ intelligence. When he came back to them he was direct. “You don’t have an option Chris. Your guys are under surveillance by NZ security. If I were you I’d take the next flight out of Auckland and forget you ever knew them.”

* And, as Wishart reports in *The God Factor*, BCCI maintained very close ties to Bill “I did not inhale” Clinton.

The Iranian politicians arrived, but naturally the King hadn't stuck around to meet them. They subsequently flew out.

Not so lucky was an Australian, the man representing the Iranian deal in Sydney. He flew in to Auckland in a private plane, but before he could leave the aircraft he was intercepted by a New Zealand Civil Aviation official. It was the last time that he was seen alive in public – he was subsequently “taken out” by the CIA, according to BERLIN, on New Zealand soil.

“They got him through a Civil Aviation safety inspection. The CAA has the power to inspect any aircraft that lands in New Zealand, and yeah, he was ‘taken out’. He never made it home to Australia. Never been seen since. It was over.”

But why Tonga? What's so important about what one New Zealand travel journalist called “the black hole of the Pacific”?

It's all about trade routes, air links, and a Government, eager for foreign investment to help its people, that's prepared to turn a blind eye to things.

“You journalists may think it all happens in New York and London,” BERLIN chides, “but in organised crime and intelligence, Tonga and the Marianas are the centre of the world, and here's why:

“The world's biggest economy, the US, is buying huge amounts of illicit substances every day, stuff we don't grow here, and it has to be paid for in dollars.

“If there was no way to get those dollars back into America, pretty soon the country would run out of paper money. Think about this for a second: every US dollar in circulation has traces of cocaine on it. Every single one.

“Now the greenback may be welcomed by merchants, but it is still not the official currency of these other producer nations, so the crime syndicates, particularly in Asia, are looking for ways to convert their stocks of US dollars into regional currencies like the Yen, without falling foul of moneylaundering or racketeering laws.

“And that's where Tonga comes in. It's a midway point. For the US it's a gateway to everywhere else in the world, and for Asian crime it's a place to do business with us.

“There's a giant vault close to the airport at Nuku'alofa, guarded by men with Uzi machineguns. There's C-130 flights go in there from Asia, drop off currency and gold, or weapons and narcotics, and it all sits there until it's re-routed to some other destination – and that includes companies in New Zealand.

“Tonga’s biggest asset is that we can fly stuff in there from America, no questions asked, then tranship it to anywhere else.”

And this leads to Tonga’s best-kept secret, until this book came out: Royal Tongan Airlines. One of the reasons the King entertained the Iranian oil refinery idea was because he wanted the money to build his own airline.

“Tonga, being a sovereign state, had signed up all these landing rights around the world. Two flights a day into Tokyo and Sydney. Places like the Middle East, China, South America, but they didn’t have even so much as a Piper Cub to fly them.”

Which wasn’t entirely true. Wishart found a decaying DC8 cargo plane had been used under the banner Trans Pacific Airways to ferry various strange cargoes around, but more on that shortly.

However, the King of Tonga and his adviser ended up in the Oval Office at the Whitehouse for ‘negotiations’ with President Reagan, Secretary of Defence Caspar Weinberger and Secretary of State George Shultz.

Sources close to the Whitehouse say the airline was put to Reagan as three-quarters US-owned and one quarter Tongan, and that this entitled it to some US Government freight contracts.

“We want one third of the US mail,” Reagan was told. Although agreeable, the Whitehouse left it as a kind of ‘don’t call us, we’ll call you’ situation. Which is how the CIA began having fresh dreams of Air America.

The following events unfolded over a period of four years, but central to all of it was Tonga’s desire to have its own airline. When it began looking like Tonga might succeed, international interest was piqued.

“We discovered, around ’89, that the King was sending Thomas out to look for an aircraft. We heard they were after a DC10. Now the CIA had a guy in Wellington, working for you Kiwis, who was involved in this kind of Government to Government issue, and he made sure Tonga got every assistance in signing up international landing rights that could be useful to us.”

The man BERLIN is talking about went by the name Alan Brown. But it wasn’t his real name. Brown, an American, was ostensibly working for New Zealand’s Civil Aviation Authority, but he wasn’t really CAA – he was CIA. And Brown was the man who had allegedly caused the Australian involved in the Iranian oil deal to ‘vanish’ – believed subsequently murdered - at Auckland Airport.

Brown accompanied the King and his adviser on their international sojourns to places like Saudi Arabia, Germany and China. The reason was simple, says BERLIN.

“We’d disposed of Air America, if you recall, and we were looking for a new airline to use as cover. Royal Tongan was a sitter. So we let these guys play around at setting up their little airline, then we made them an offer.”

It happened in Dallas, Texas. Thomas and Rivera had flown in for a meeting with the chief executive of American Airlines. They weren’t expecting what followed.

“We got approached by CIA,” Rivera recalls, “they said they wanted us to meet some people. We said OK, and they took us in a CIA car through downtown Dallas into this really slummy part of town.

“We got out of the car and walked up to this real slum-looking house. Open the door, and the next thing you know we’re in this elevator going down – I don’t know how many floors or how deep but we were going way down under Dallas. We were led down this hallway then suddenly we emerge into some kind of secret CIA headquarters.

“If you remember the TV series *Get Smart*, it was exactly like that. Man, I felt like I was in that movie!

“But anyway, we ended up in this big conference room and they said ‘right, here’s the story: we’re gonna let you have the airline.’

“That’s what they told us: ‘we’re gonna let you have the airline’. But there was a ‘but’. ‘Here’s the deal – we will have to have our pilots on your flights and we will put our surveillance equipment on the plane’.”

The team from Tonga were dumbfounded, and told the CIA they’d need the King’s approval.

“Well,” explained one of the CIA men across the desk, “if you want to have this airline in the United States, and you ever want to fly a plane in here, then we strongly suggest you consider our proposal.”

“They could envision a whole spy network,” Rivera says of the CIA, “and the pilots would be their agents, with access to territories the CIA would otherwise find it difficult to get to.”

When the Tongans relayed the King’s refusal to take up the CIA’s generous offer, Rivera says he and his fellow American were left in no doubt what was in store for them.

“They threatened our lives. They said ‘you’d best not come back to the United States, if you know what’s good for you’.”

BERLIN confirms the sequence of events

“We told them we’d provide all the money they needed to buy planes and set up the infrastructure, and we’d provide the pilots. And let’s face it, the CIA pilots are fucking good.

“Well the King’s smartass adviser wasn’t having a bar of it, and told us to fuck off, so we made it real simple. He was co-owner of Pacific Shipping, and one of his vessels, the *Capricornia*, met an unfortunate end in Fiji one day. It should have been an expensive lesson but they were still wanting to go it alone.”

Strange things began to happen in Nuku’alofa – Tonga’s capital. During 1990, the tribal drums began to beat with rumours of a coup against King Tupou IV – a coup allegedly masterminded by some New Zealanders with international help.

New Zealand journalist Bernard Moran travelled to Tonga in March 1990, and landed right in the middle of the kind of trouble that hitherto he’d only read in political thrillers.

“There were four of us who flew in: the other three had invited me to tag along, but they were Christian missionaries and they’d been asked to come over by a local Christian group in Tonga. It wasn’t until we hit the ground there that anybody told us what was going on.”

Moran has the kind of credentials that would not endear him to the peace movement. His journalistic career, apart from work in the mainstream dailies, also included ten years as a writer for the weekly Catholic newspaper, *The Tablet*.

“In 1986 I wrote a two-part series exposing Soviet attempts to gain influence in the South Pacific region, through the promotion of their front organisation: the Pacific Trade Union Forum.

“Partly as a result of this article, I was invited to deliver a paper to a conference in Washington DC, organised by the Hoover Institution of Stanford University. This conference brought together scholars, politicians, trade unionists, journalists and government officials from Australia, Fiji, France, New Zealand, PNG, Western Samoa and the United States.”

Moran addressed another conference in Singapore on Communist insurrection in the Philippines, and was the New Zealand correspondent for *Defence 2000*, “a respected monthly journal covering defence matters.”

His 1991 report on the coup attempt, excerpts of which follow, eventually ended up on the desk of the US State Department in Washington DC.

Journalists, like lawyers, policemen and funeral directors, meet all kinds of people in the course of their work. Several years ago I met John and Sharon Fawcett in the course of researching an article. Both are now in their mid-40's. He is an engineer by training, and she has a background in fashions and export marketing.

Back in the seventies and early eighties, the Fawcetts were employed by the Salvation Army as social workers among Maori in the Wellington area. They apparently gained the trust of certain gang members and professional criminals. Later the Fawcetts went out on their own as a husband and wife evangelical team.

In Auckland they started a Pentecostal fellowship which included a number of Tongans. I understand that this led to the friendship with the Auckland branch of the Tokaikolo Christian Fellowship [in Tonga]. In 1989, the Fawcetts established another fellowship in Brisbane, Australia, which is where they are currently living.

The Fawcetts achieved fame or notoriety with the release of a series of cassette tapes containing allegations that radical Maoris were training for armed revolutionary struggle in NZ. To be fair to the Fawcetts, they were telling private church meetings about what they had heard from Maori sources and were unaware that they were being taped.

Around this period in the mid-80's, there had been a lot of menacing allusions to armed struggle from Maori radicals, and there was concern about alleged Libyan involvement. So the Fawcetts' warnings were taken seriously by a lot of people who told their friends and on it went.

But verifying the Fawcetts' claims of arms shipments and guerilla training camps in the New Zealand bush proved an exercise in frustration. I firmly advised them, for their own reputation, to ensure that any future claims were based on more solid evidence than mere hearsay from "trusted Maori elders".

In the event, the Fawcetts had talks with Defence Intelligence in Wellington. It was not a success because the Fawcetts were unable to provide credible evidence.

A major blow to their credibility was an investigation by the popular Paul Holmes television show. The reporter, Rob Harley, investigated Fawcetts' claims of gun running in Northland and concluded it was all a load of old rubbish. Afraid that they would be made to look stupid, the Fawcetts declined to appear on the programme, thus reinforcing the popular image of a pair of alarmist loonies.

Yet despite the risk to my own professional credibility, I kept in touch with the Fawcetts, because I liked them as people and saw that they had a genuine love and concern for Maori – ie, they had fostered a large number of Maori children. Also they did have extensive contacts throughout Maoridom.

When Moran, the Fawcetts and a fourth man, Dennis McLachlan¹, arrived in Tonga, they were greeted by Lifau Saulala – an Auckland University educated criminologist and career diplomat who’d risen to a senior rank but left the foreign service to become Pastor of the Tokaikolo Christian Fellowship.

McLachlan’s role was to help Saulala prepare some economic advice for the King. The Fawcetts had been invited up to help advise the Fellowship on setting up a clothing business to export product to the US, and Moran, as a religiously-minded journalist, was on an “all expenses paid” tropical holiday at the end of which he would write a feature article on the small Christian community’s big plans.

But there was more to this 4500-strong community than met the eye. For a start, Pastor Lifau had taken up a distinctly-anti “New World Order” position, meaning he was telling his congregation that foreign influences would soon try to force the Tongan Government to make its citizens carry some form of ID card or ID number. The International Monetary Fund had already intimated as much in letters to other Pacific nations, and Christian groups interpreted it as a “Mark of the Beast” scenario.

Saulala’s sermons began having a disruptive influence and, according to Fellowship members Colin and Vicka Wells, the paranoia reached new heights when two Tongan men revealed they’d been paid cash to spy on the Fellowship and report back to a couple of Europeans who’d recently arrived in town.

Then, a couple of months before Moran arrived, Lifau Saulala believed he had evidence of a coup being planned against the King.

Saulala is supposed to have told the King, sometime in late February 1990, that a coup was being planned for April – and that the Minister of Police, George Aka’ola, appeared to be involved. Saulala learned (either from the King or someone close to him) that the King was under strong pressure to agree to a business proposal.

The story goes (and I stress it is hearsay until confirmed) that in February the King was personally approached by a senior representative of a leading New Zealand businessman,² who in turn was representing overseas business and financial interests.

They wanted the King to agree to a deal which allegedly involved the possibility of a debt-equity swap arrangement over Tonga’s untapped oil

¹ Prosecuted for criminal libel by the late Sir Robert Muldoon for suggesting had received bribes in an offshore bank account.

² Not anyone from Fay Richwhite.

reserves. Apparently the King expressed reservations to the representative, whereupon he received a telephone call from the businessman in New Zealand, assuring him that the deal was in Tonga's best interests and that if he had any doubts, he should talk to George Aka'ola who would explain everything. This news about the Minister of Police's involvement or interest in the negotiations disturbed the King.

It was a few weeks later, in early March 1990, that Vicka Wells phoned Sharon Fawcett from the Tongan Fellowship's Auckland church office in Ponsonby, and invited the Fawcetts up to Tonga. Wells told Fawcett that Pastor Saulala had "arranged an audience with the King" for the 21st of March, but she didn't tell Fawcett why over the phone.

Soon after that phone call, Vicka Wells claims two carloads of men drove up and parked opposite, "peering intently" at the building before slowly driving away. Coincidence theory? Perhaps, although that wouldn't explain how the New Zealand Government was then able to warn Tongan authorities, in advance, that a contingent of NZ "troublemakers and alarmists" named Fawcett and McLachlan was heading their way.

How did the Labour government know? Unless the "troublemakers" were under surveillance. And that would imply that there was a situation that had to be monitored. Something was up, as Moran and his fellow travellers soon discovered.

On March 20, 1990, the day after they'd arrived in Tonga, an Australian woman, a former New Zealand resident and an alleged American contract killer with CIA ties using the unlikely pseudonym "Mike Hunt" flew in. For identity purposes we'll call the other two – in order of appearance – "Tracker" and "Podge".

The trio booked into the Ramanal Hotel, and within hours were already meeting Tonga's Minister of Police, George Aka'ola.

Moran and the others were unaware of all this. Instead, the next day they had their audience with the King, as scheduled, but there was no talk of politics or a potential coup. Moran spoke of his intentions to write some feature articles on Tonga, the Fawcetts briefly relayed their business ideas, and McLachlan indicated he'd like to help prepare some economic advice for the King.

Whether it was the earlier tip-off from Lifau Saulala to the King of an impending coup involving the Police Minister, or a diplomatic cable that had arrived from New Zealand warning the Tongan authorities to beware the Fawcetts and McLachlan – or a combination of both –

somebody apparently believed that more information had been passed to the King than just pleasantries.

Tongan police arrived at the Fellowship compound in Lavengamalie, and took a man into custody. He was questioned about “developments” in the Fellowship, including the arrival of the New Zealanders, but was released when he refused to cooperate.

But it wasn’t until Friday, March 22, during a lunch with a prominent local accountant in another village, that Moran was told what the problem was.

Lifau came in looking very serious. He stood in the centre of the room and quietly said: “I have very bad news. On Tuesday, three assassins flew up here on the next flight out of Auckland. We have been told from the inside that they made a move to kill us all as we drove to see the King yesterday.

“I am very sorry that we have placed you in this danger. It would be better if you stay here until it gets dark and then we will send you a van and get you back to Lavengamalie.”

This news was so unexpected and bizarre that our first reaction was to laugh and crack jokes.

Initially the New Zealanders – or at least the journalist amidst them – didn’t believe it, but the former Tongan diplomat was insistent that the Minister of Police was intent on pushing ahead with the April 6 coup, and didn’t want anyone wrecking his plans.

Lifau’s information came from his informants on the “inside”. Apparently the Minister of Police called an emergency meeting with the Europeans in which it was mistakenly assumed that we were on our way to warn the King of the coup and reveal the identities of the conspirators.

Preparations were made in great haste. The Europeans took off in two vans to intercept us before we reached the palace...arriving in time to see our van disappearing down the road.

After breaking this news to his incredulous audience, Lifau Saulala withdrew, telling them they would be picked up after nightfall. That afternoon, Saulala sent one of his congregation downtown with a camera and told him to photograph all the Europeans who entered or left the Ramanal Hotel. These photographs would later become crucial.

True to his word, at 7:00pm on Friday evening, a van from the Fellowship arrived containing several “large Tongan men”.

We all had to keep our heads down, whilst the men acted as human shields. It was clear by their serious demeanour that we must be in some danger. Within Lavengamalie there was a sense of urgency and activity: men setting up barbed wire and guard posts.

It was a windy night, yet reports were coming in that there was unusually heavy road traffic up and down the main road along the perimeter. Groups of men were sighted attempting to probe for gaps in the perimeter, but when the guards spotted them with their flashlights they withdrew.

The next morning we learned that around 10:00pm, during a sudden downpour, three Europeans in a white van had managed to drive down a small track into the perimeter. Two Tongan guards stepped out from behind the trees and flashed their torches. The driver called them over and, realising that they couldn't speak English, indicated by sign language that they were looking for the houses where we were staying.

The Tongans said nothing, and then the driver opened a grey metal box filled with banknotes. This attempted bribe was also unsuccessful, so the Europeans gave up and reversed back up the track.

Dawn broke on Saturday March 24, and another member of the congregation, Mapa Fangaloka, was due to have one of her regular meetings with the King. As a member of the extended royal family, she had easy access to the palace and was regarded as a spiritual adviser to the King and Queen.

As she left the palace a white van with Fletchers NZ on the side drew up. She is not sure how she got into the white van, but Mapa was seen entering it by two witnesses (neighbours of our lawyer Sione Kengike).

There were two European men in the front of the van and a woman in the seat beside the sliding door. Mapa sat next to her. The van pulled away and the man in front turned to her and displayed an open briefcase, filled on both sides with wads of Tongan dollars. Mapa was offered the briefcase of money if she would tell them what she discussed with the King. If she continued to help them with information after her meetings with the King, similar payments would be made.

Mapa refused repeated demands that she cooperate. The woman beside her produced a hypodermic syringe and thrust the needle into Mapa's arm. Mapa's mouth was dry, she felt dizzy and slumped against the door.

By the time she regained her senses, she'd been dumped on the roadside. Eventually a passing motorist stopped and took her into town, where she was picked up by a church van.

At the debriefing in Lavengamalie, Mapa was asked to describe the European abductors. Her verbal description fitted Podge, the driver and Tracker. When shown their photos she readily identified them.

Lifau arranged for her to be taken into Nuku'alofa to lodge an official complaint with the police. At the station she was treated with indifference and scepticism. Her details were taken down in a perfunctory manner, which seemed to suggest that there would be no follow-up. Despite her known friendship with the King and Queen, Mapa was never contacted again by the police.

Later that day, as Lt Sione Ketuu of the Palace Guard was coming past Defence HQ, he spotted a European inside the palace grounds with one of the guards. The European had a camera and was writing (it turned out to be his name and address) on a piece of paper. Lt Ketuu called the guard over as the European moved off.

The guard admitted that this was the second time that the European had asked to be allowed into the palace grounds to take photos. The guard had asked the European about the binoculars around his neck, and the man replied that he was shortsighted.

On the second occasion he had just written his name and address down and was about to present a big wad of money in his hand to the guard when he saw Lt Ketuu approaching.

Lt Ketuu later identified the man from a photo. He was also the same gentleman identified by Mapa as the driver of the van. Despite Lt Ketuu reporting this incident to his superiors there seemed to be no follow-up.

It is worth remembering that, at this stage, Moran, the Fawcetts and McLachlan had done nothing. But their mere presence appeared to have sparked a huge security alert.

Moran's report indicates Sunday and Monday were spent "lying low" in Lavengamalie. Two electricity generators were shipped into the compound in case the power was cut, and guard patrols ringed the perimeter fences.

On Tuesday, March 27th, the Tongan Minister of Police – the man reportedly behind the coup, signed deportation orders against the four New Zealanders, effective immediately. But they didn't know this.

The political situation was getting tense, however. Lifau Saulala mustered three truckloads and twenty vanloads of his congregation to travel to the palace for a show of loyalty and solidarity to the King. Inside one of the trucks, he smuggled the New Zealanders.

John, Sharon, Denis and myself were asked to sit together on cushions spread on the floor of a truck. We were completely shielded by Fellowship members.

On arrival outside the gates of Fuaamotu (the palace), there was a palpable tension in the air. The Fellowship members formed a thick human shield as we climbed down from the truck. I briefly glimpsed

INSERT PHOTOS

some policemen by a jeep. The bodyguards pressed very close to me, with one gently but firmly keeping my head pushed forward and down. They were very tense and alert until we passed inside the palace grounds.

I later learnt that Lifau had earlier addressed a large group of men and explained that there was the possibility of snipers attempting to shoot us as we were in the open between the trucks and police. He called for volunteers to be human shields in case snipers opened fire – and every man stepped forward.

Once inside the main gate the tension eased, and we saw that the grounds were ringed by soldiers from the Tongan Army. They were in full battle gear and carrying Uzi submachine guns.

Once inside the palace, Pastor Lifau and the New Zealanders were led to a large room that was open, tropic-style, to the grounds and the sea beyond. In the grounds, the congregation assembled.

The King sat on our left. Across the room sat the Queen, with Mapa Fangaloka sitting on the floor beside her. To the right of our sofa were four older nobles.

For the first emotion-charged hour, there were speeches as massed singing. Lifau delivered an address to King Tupou, his voice often breaking with emotion. He frequently referred to passages in the Bible held in his hand. There would be a pause whilst the crowd outside sang another hymn, the power of their singing like a vast wall of ethereal sound rising to Heaven.

The King looked like stone, then a single tear rolled down his cheek. The sun was setting over the palms, the Queen was hunched, weeping into her handkerchief. Even the impassive court chamberlain was trying to hide his tears. I thought all the danger and trauma was a mere trifle, compared to the privilege of witnessing this scene.

The King then asked Mapa to give an account of how she was kidnapped. Mapa told her story in a quiet, steady voice. When she mentioned her repeated refusal to betray the King to the Europeans, even though she knew serious harm would follow, the King was clearly moved and the Queen began weeping again, and put her hand on Mapa's shoulder.

Afterwards the King turned to us and asked us how we were, and we answered briefly in turn. I said very little. None of us had to warn him about any coup, as we knew from Lifau that the King himself knows what we said to him and that the charges we were accused of are completely false.

The King asked no questions, nor made further comment. I saw the Queen crying and talking to Sharon Fawcett. Later Sharon told me that

the Queen had said “I feel so afraid. They can get to us any time they so wish” and she indicated with a sweep of her arm the extensive bush beyond the ring of soldiers.

The same procedure with the human phalanx was repeated going back to the trucks.

The next morning, Lt Ketuu told us that three or four Europeans in two white vans had twice overtaken the convoy on the way to Fuaamotu. They sped past and two hundred metres on suddenly pulled over to the side. The truck drivers allegedly saw the Europeans aiming submachine guns at the convoy, but there was no shooting.

The two vans were again seen parked two hundred metres up the road when we arrived at Fuaamotu. They tried again on the return trip but were unable to sight us.

The word from “inside” was that the Europeans assumed we would be travelling in the cars or vans. It apparently didn’t occur to them that we would be in the trucks.

The leader emphasised that they were only to shoot when we were clearly visible, as dead or wounded Tongans would be hard to cover up.

It is of course a given that assassination carried out with the blessing of the local police force would be a perfect crime. Given that the Minister of Police was the man behind the coup, anything could have happened. Shedding innocent Tongan blood, on the other hand, would be disastrous.

What is clear from Moran’s report so far is the veracity of the story. A team of alleged hitmen arrive in Tonga and meet with a suspected coup-leader. They then attempt to kidnap a royal official and drug her, whilst also offering bribes to other Tongans. A member of the Tongan armed forces also finds one of the hitmen in the grounds of the palace.

The King and Queen are briefed in front of Moran.

Subsequently, the coup leader – aided unwittingly by New Zealand Government politicians and officials – publicly ridicules Moran and the others in an attempt to discredit the story.

The day after their second meeting with the King, Lifau Saulala upped the ante yet again by going on Tongan national radio and blowing the story wide open.

Lifau was asked about Mapa’s ordeal, then he spoke about us four Palagis and how we had come to help the Tongan people and were now trapped in Lavengamalie. He said how shameful it was that we should be hunted and in hiding, whilst these foreign enemies of Tonga walked and drove around freely, apparently with police protection.

At one point Saulala let fly at police officials, starting to outline their role in the planned coup against the King. At that point the interview went off the air.

Nevertheless, it created considerable media interest in Tonga, although – like the police – none of the journalists bothered to track down the alleged assassins staying at the Ramanal Hotel.

Sunday 1st April. A quiet day until 5:00pm when Lt Ketuu came in looking very excited. He had just seen and photographed Podge, Mike Hunt, Tracker and the driver, at the main entrance to the school.

They had seen Fellowship members in Nuku'alofa, boarding a small truck with a flat tray. They asked the innocent driver if they could get a lift to Lavengamalie on the way to where they were staying.

Sione just happened to be near the entrance when they arrived and quickly ordered a guard to grab a camera. Sione snapped 12 photos at close range. The group looked very uncomfortable and quickly moved off down the road.

Earlier that day, the group had been seen meeting two Tongan cabinet ministers at the Good Samaritan Inn. Lifau had his own network of spies out and about, including two young men named Sione Koloamatangi and Villiame Tei, who had managed to infiltrate the coup plotters' camp.

The Europeans had left them alone to guard a safe house which contained weapons and equipment (including computer software) vital for the launching of the coup. Aware that it was a case of now or never, the two men loaded the weapons and key equipment into a van or pickup truck and reportedly drove to the cliffs at Hufangalupe.

I still don't know whether everything went over the cliff or, as one report had it, the weapons were dumped in bush. Certainly the result crippled the immediate plans.

The two infiltrators, and others, immediately went into hiding, but the furious hit-team and Tongan police were closing in. Retribution for the treachery over the weapons' disposal would be swift and final.

On April 6, the day the coup was supposed to take place, Siosaia Fangaloka, Mapa's husband and the manager of Tokaikolo Fellowship, received a phone call in his office, asking for Lifau – who was out.

"Will you promise to convey this message to Lifau? Tell Lifau that I am Sione Koloamatangi. Villiame Tei has been caught and handcuffed by the Palagis. They know that some of the information has leaked out. I'm

working with Villiame and we looked after the machines and the armoury. We know that as soon as the Palagis found out Villiame was leaking information, they would kill him.

“Listen carefully. The plan has been cancelled. Ask Suesita [another of Lifau’s agents] if he can meet me at 2:30am, at the same place where we usually meet on the western side.

“I have to go now. Please convey my love to the Tongan people. These Palagi are going to leave next week, but for sure I feel we are going to die. Tell Lifau that Villiame and I give thanks to the Lord...”

Although Fangaloka and several others guessed where Koloamatangi was calling from, they arrived just in time to see a police vehicle speeding away. According to Moran’s report, Koloamatangi and Villiame Tei are still missing, presumed dead.

As for Moran and the others, they’d been verbally attacked on radio in a state broadcast by the Minister of Police. Aka’ola accused the four of being the source of the coup rumours, and said he was being smeared by opponents of the Government. The four New Zealanders, he said, were to face criminal charges.

According to a *New Zealand Herald* report of April 3, ‘Aka’ola said the four had told the King that a New Zealander was trying to recruit mercenaries to take over Tonga, and that an assassination squad had arrived in the Kingdom.’

Lawyer Sione Kengike, a supporter of pro-Democracy campaigner Akilisi Pohiva, volunteered his services as a defence attorney free of charge, and a Tongan detective working for the San Francisco Police Department, George Pakola, flew in from the US to help Kengike prepare.

When they appeared in court on April 6, Moran noticed members of the European hit-team in the crowd and later in the courthouse. Rather than a custodial sentence, which is what police prosecutors were seeking, the judge opted for deportation on the first available flight. With one extra proviso. The judge, sensing that something was up, gave explicit instructions to the police: if for some reason the passports of the New Zealanders are not ready or they are unable to board the plane, they are *not* to be taken into police custody, but instead are to remain in the protective custody of the Tokaikolo Fellowship.

Moran breathed a sigh of relief. He and the Fawcetts were certain that time in a Tongan police cell would eventually mean certain death – “we’d be found floating somewhere”.

As it transpired, their travel documentation was ready in time for the flight.

We boarded the aircraft after emotional farewells and sat near the rear. Later we were to learn that the last three people to board were Podge, Tracker and Mike Hunt. They were easily videotaped at the airport and were then seen walking to the gangway where they shook hands with George Aka'ola.

They boarded and sat in Business Class. We had no idea they were on board, because a curtain was drawn across the aisle. At Auckland Airport they must have transited to an overseas flight.

Whatever it was that Moran and the others had stumbled upon, their appearance on the scene and the destruction of the weapons put an indefinite hold on the main event.

But the intrigue was never far away, and the continuing problem of getting Tonga's national airline up and running is a sterling illustration of the point.

By late 1990, Royal Tongan was still a flag without a ship, so to speak. But the plan was to back Royal Tongan Airlines into an American company named Trans Pacific Airways, which operated an ageing DC8 freighter leased from a Chicago company. Tonga would take a 25 percent stake in the airline – enough of a stake that Trans Pacific could fly under the Tongan flag and use the Tongan landing rights that had been negotiated.

Determined to do their own thing, the King's advisers – who owned the rest of Trans Pacific – met up with representatives of a US clothing company named Winer Industries in 1992. Initially Winer set up a joint venture manufacturing company in Tonga whose owners included Tongan Prime Minister Baron Vaea.

“It was only going to be a front operation,” says one who was involved. “They were working on something in the Cook Islands. It had to be shipped through Tonga, then over to Singapore – that's where we were picking up the real freight – but the manifest would show us picking up the freight in Tonga.”

Part of the deal was that Winer would manufacture millions of T-shirts in Asia, but label them as “Made in Tonga” so as to avoid import tariffs. This alone would have been worth millions of dollars to them.¹

¹ T-shirt imports into the US were governed by fixed quotas. Countries that had never exported garments to the US could do so for three years before quotas kicked in, meaning vast numbers of garments could be ‘laundered’, so to speak,

Winer initially utilised the Trans Pacific Airways DC8 to fly a milk run that went from Los Angeles to Hawaii, down to Tonga, then to the Cook Islands, then Japan, then Singapore, Tonga and back to LA.

That milk run wasn't just T-shirts – the 'real freight' included American dollars and gold bullion.

Winer was a company that Ian Wishart knew well: he'd been approached by an Aucklander who'd become mixed up in its business. Winer is officially a garment manufacturer – and quite a prominent one at that, but it has a hidden side: it is flagged on DEA computers for apparent involvement in drug moneylaundering.

The American company's 'off balancesheet' activities were being controlled by a man known as Sylvester Moise.

"He's a big black guy, huge guy, and he's been down to New Zealand a few times. He was down here this year – that's how I met him."

Those comments from a New Zealander who landed a chance summer job crewing on a 108 foot yacht owned by Winer and under Moise's aegis. The vessel sailed around the Caribbean during 1993, and on board was South American cocaine. The drug was stashed in various places, including inside suntan lotion bottles.

The Kiwi got talking with his American crewmates, and was stunned to discover a New Zealand connection.

"We do a lot of work for some prominent New Zealand companies," one confided, "including Fay Richwhite."

There is no suggestion or evidence to suggest that Fay Richwhite knew of Winer's drug operations, but it was suggested that their banking expertise was coming in handy. Based in New Jersey, Winer has branches throughout America, but the key ones in this story are Fort Lauderdale in Florida, San Diego and the US Virgin Islands in the Caribbean, where a barge goes out to meet ships and offload 'rubbish' before they reach American ports.

Wishart, on the receiving end of the information a couple of months later – at the start of 1994 – decided to test the veracity of his source. Firstly, he contacted the IRS in the States: what did they have on Winer Industries or Sylvester Moise?

"We have a definite interest in Winer," confirmed an IRS moneylaundering investigator. "They're in the DEA [Drug Enforcement Agency] computer. They have a known M/O for drug shipments."

in this way.

The same message came back locally. Wishart's NZ Government intelligence sources confirmed Winer was suspected of trafficking drugs and cleaning the cash. What about Moise?

"He's been down to New Zealand three times, twice in 1989 and once in 1990. Born 21/11/42. US Citizen, passport number G720312."

Which didn't explain how Sylvester Moise had managed to slip into New Zealand in 1993 without showing up on the Customs computer system, unless he had another identity.

Indeed he did. As you shall discover shortly.

"Moise operates out of Fort Lauderdale," explained the source. "I've got his mobile number but I don't have a home number."

Armed with technology, the journalist soon had the details anyway: Moise's home was 300 Southwest 20th St, Ft Lauderdale, and he had the phone number.

"I've got another number for Moise," offered the source. "You can get hold of him through Trans Pacific Exports and Imports in San Diego."

It was by now fairly obvious that the source must be for real: the chances of someone walking in off the street and making a succession of lucky guesses that not only matched international intelligence but in some cases exceeded it, were a million to one. And if Moise was coming down to New Zealand regularly, undetected by Customs on occasion, then his business ties here must be significant.

The point wasn't lost on New Zealand authorities either, but the prospect of investigating the Fay Richwhite bank's involvement was fraught with the possibility of political interference.

Wishart took his discovery to his bosses at TVNZ. At a time when *60 Minutes* and *Frontline* current affairs crews were scooting all over the world for tug-of-love or other minor stories, he presumed there might be room in the budget for a crew to be in on the investigation of a major drug operation allegedly involving a prominent New Zealander. Admittedly, Wishart had just spent a million of TVNZ's dollars on the (at that stage) banned Winebox documentary investigating another company affiliated to Fay Richwhite. The answer was "No."

Further discoveries revealed Winer had not one large yacht but five – one of which had just been sold for seven million dollars – and a corporate jet. There was a disagreement on this point: the source claimed it was a Commodore jet, but intelligence agents claim it was an Aero Commander.

"They not only ship drugs, they shipped weapons during the Gulf War. You should also check out a guy called Tonaka, in Japan. His company Nouvelle Corporation does a hell of a lot of business with Moise."

With no budget to investigate further, however, the case was shelved – both by Wishart and NZ authorities. Until Royal Tongan Airlines/Trans Pacific Airways came under scrutiny.

The Americans in Tonga realised Winer could be their ‘white knight’ – a company with enough financial clout to bankroll the whole airline. And they were. Having rebuffed the CIA, the men behind Trans Pacific had negotiated contracts with Federal Express to carry a third of all the US mail to the Pacific Basin. FedEx agreed to pay Trans Pacific/Royal Tongan US\$350 million to do it, once the airline was officially launched.

Plans were drawn up for a US\$100 million public float of Trans Pacific in the United States, and the lure for investors was the FedEx contract. But the airline concept could hardly fly without planes, so to speak, and they needed to buy some. McDonnell Douglas agreed to sell them two DC-10 jets in Royal Tongan livery for US\$25 million, in time for the public float.

Only problem? Where to get that first \$25 million. Enter Winer. Sylvester Moise saw the same opportunity that CIA had seen – an airline under a government flag with rights to land across the world. Winer wanted in.

But Moise was no longer using his real name.

“Big black guy from Winer – about 6’2” or 6’3”?” queried Mike Rivera of Wishart.

“Moise wasn’t the name he used with us. It was something like Jesse Wyatt. Came from Fort Lauderdale, but we met him up in Patterson, New Jersey, at head office.

“They were going to give us enough money to buy the planes, and we were going to Singapore with the King of Tonga to sign the deal. They were going to buy Royal Tongan shares, of which they already owned 25 percent of Trans Pacific Airways, and they were going to pay \$25 million for 25 percent of Royal Tongan.”

The deal got delayed, however, when Winer hit Trans Pacific with a more immediate problem:

“They needed us to ship a load of gold bullion out of Singapore. We were going to hire a C-130 to do it. The plane would be on the ground just long enough for a couple of trucks full of gold to drive right on the plane, then we’d lift off.”

This was in 1993 – the year that Moise had been in Auckland using another identity. And part of the Winer/Trans Pacific deal was being arranged from Auckland.

But as if Wishart didn't already have enough to work with, then came the revelation that controversial merchant bank Fay Richwhite were also involved with Winer.

"Yeah, Thomas met Fay Richwhite in Singapore, Fiji and Tonga," says Rivera. "They were organising the money movement for Winer in the airline investment project."

So New Zealand's Fay Richwhite & Co were doing business with a US company suspected by US Federal authorities of drug trafficking and money laundering?

"Yeah, Fay Richwhite had some plan to wash the Winer money through some bank they had in the Cook Islands," recalls Rivera.

Fay Richwhite, for their part, deny the story in its entirety. Spokesman David Richwhite says that "to the best of my knowledge", no one from his company "is aware of such an oil refinery project", nor does anyone remember doing business with Winer Industries or Sylvester Moise, or providing banking assistance for the airline project.

Circumstantially, however, such projects were certainly within the controversial merchant bank's sphere of operations. Winebox documents, for example, show extensive involvement by Fay Richwhite's Cook Islands tax haven company European Pacific in aircraft financing around this period in time.

And then there's the recollection of none other than the Tongan Prime Minister, Baron Vaea himself.

"Yes, I remember that name, Michael Fay, and the other one... David Richwhite. I remember meeting those two. They came to Tonga, and they visited, sometimes for two or three days – do a little business – and then go back again.

"There was one [Winer executive] who has been here. He's an African-American. I don't recollect his name but he sees other Ministers and talks with them."

The Prime Minister says Winer appeared in Tonga in 1992, initially with the garment manufacturing venture. By way of explanation, the PM says all foreign investors in Tonga must work through a local, usually in a joint venture arrangement. In Winer's case, it's a venture he admits being a partner in.

"It was going very well. I was a member and I participated, but I had very little knowledge of the actual product – the manufacturing and everything – but we gave our full support to them."

Unfortunately, it didn't last long.

"It seemed a hurried venture, that they had to do and then go out again. They had other people coming in on their behalf."

“And they were trying to finance Royal Tongan Airlines at the time?” queried Wishart.¹

“Yes, very true,” recalled Baron Vaea, who added that the visit from Fay and Richwhite took place around the same time – 1992 - “But it didn’t go ahead in the end.”

Indeed it didn’t. It was while arrangements for this were being made that Alan Brown from New Zealand Civil Aviation called up. It was, boasts BERLIN, the ultimate set up.

“We had changed our approach.”

“Brown called us to say he was in Mississippi,” says Rivera, “and he said ‘Mike, I’ve got some guys here that want to invest in the airline.’”

“So I put Thomas on the line, who told him they could stand in line like everyone else when it went public, but Brown said no, they wanted to buy in *before* it went public so they could make a bigger swing on their money.

“They said they had US\$25 to US\$50 million in cash, and they wanted to know if they could divert it through Tonga or someplace else and not pay taxes in the United States.”

As BERLIN reports,

“Of course the guy said ‘yeah, you get the plane and I’ll do anything you want’, and that was all we needed to pull him in on conspiracy charges. Except, of course, we had to get him Stateside first.”

The ruse was simple and effective. The King’s adviser flew up to the US for the meeting to obtain the money. He travelled down to Mississippi by commercial airliner from LA, but had secretly arranged a private Learjet to stand by in Mississippi – ready to load up millions of dollars in cash and fly it out of the country if necessary.

Even so, nothing prepared the target of the sting for the sight that greeted him.

“They drove him into this seedy warehouse and there were boxes of cash loaded on a pallet - \$25 million in cash,” says Rivera.

“You understand this is drug money?” queried the NZ CIA man. Chris Thomas turned a whiter shade of pale.

“Hey, I’m outta here. I want nothing to do with this. I don’t want it to be dirty money, man. I’ve got a banker. We’re going public in a month, I’ll raise the money that way – ”

Thomas didn’t get a chance to finish protesting. The next thing he knew, his New Zealand Government ‘friend’ Alan Brown was holding a .357 Magnum to his head and pushing him to the floor. Others had also

¹ In an interview in August 1999.

drawn their weapons. Thomas was stunned, and initially thought it was a Mafia hit going down.

“Yeah, I think that was quite a shock to him,” said BERLIN. “The look on his face as he saw this Kiwi official holding a gun to his head, it was real ‘Et tu, Brute?’ stuff. We gave him one last chance to give the airline contract to the CIA, but he was too dumb to take it, so they took him away and he got 25 years in a Federal pen.”

The case was code-named “Tonga-Bob”, and prosecuted by the US Attorney’s office in Biloxi, Mississippi, on the Gulf of Mexico. Court records show Alan Brown – the armed American based in New Zealand – testified in the case but was identified only as an “Agent”.

The CIA also wanted the dirt on Winer, and offered plea-bargains if the King’s representative would spill the beans on the New Jersey-based clothing company. Apparently, however, he didn’t.

Royal Tongan Airlines is not believed to have CIA ties at present. According to Prime Minister Vaea, the airline is code-sharing with Air Pacific and Air New Zealand, and still waiting for a white knight investor.

As another of Wishart’s sources, a diplomat codenamed WASHINGTON, explained, the Pacific island states are running rife with spooks.

“The CIA is heavily involved. They need front companies, and they have them all over the world. They’ve got two big companies in Fiji; a pretty good size company in Tonga, and two companies in the Cooks. You know that Italian hotel they were building down there, the Sheraton? Well it was backed by the CIA.”

And the son of a former editor of the now-defunct *Auckland Star* newspaper had his own brush with the Central Intelligence Agency, when he accepted a crewing position on an American yacht travelling from Vanuatu to New Zealand. The boat was packed with state of the art electronics – more than the Kiwi had ever seen before. He awoke one night hearing a noise and peered out his porthole, only to see a massive submarine only five metres away, parallel to the yacht. The American skipper of the boat was conversing with sailors on the sub. Deciding discretion might be a good idea, the New Zealander said nothing, but made some checks of his own when he returned home. According to his father, they managed to confirm the American was a CIA agent well known in the South Pacific.

But what about the Khashoggis and the Libyan oil deal? With the murder in New Zealand of the Australian heading the Iranian

arrangements, the CIA had sent a clear message to Tonga: don't assume that you're untouchable.

The gunpoint arrest of the King's adviser in Mississippi reinforced it.

And what other supporting evidence exists for Alan Brown's New Zealand sojourn? Inquiries with Ministry of Transport, Air Rights Division, official John Bradbury revealed his department "was aware" of a CIA link to the Royal Tongan Airlines affair. He was not aware of an 'Alan Brown' being on the payroll however, at least under that name.

Civil Aviation Authority human resources manager Graeme Watson recalled "one or two Americans" attached to the NZ CAA at various times in the past decade, but neither of them used the name 'Alan Brown'. "The employment of Americans in this office was sufficiently rare to be described as 'unusual'," he added.

Brown testified in the court case against Thomas in the US in 1993, but his identity was protected and he was described only as a nameless 'Agent' in the transcript.

Although Brown may indeed have been one of the Americans working for the NZ CAA, it is possible also that he could have maintained a private office outside of the CAA buildings. Rivera understands Brown had been in New Zealand three or four years, but BERLIN says Brown was on the scene prior to the 1987 Fiji Coup. This would place his timespan in New Zealand closer to five years.

The fact, as mentioned earlier, that the New Zealand SIS were monitoring the arrival of the Iranians and the Australian into Auckland would lend weight to the belief that Brown was working here with the probable knowledge and support of NZ intelligence.

At least one New Zealand journalist may have inadvertently come close to this closely-guarded state secret. Roger Foley, a senior reporter with Wellington's *Evening Post*, approached the NZ Ministry of External Relations and Trade whilst investigating the issues raised by Bernard Moran. Foley, according to Moran, came away with the distinct impression that the NZ Government knew exactly what was going down in the tiny kingdom but had no intention of letting the NZ media or the public find out. Foley was stonewalled.

Transshipping to disguise cargo, however, isn't new.

A similar venture had allowed Terpil & Wilson to export US weapons to Libya in the 1970's (New Zealand was used for similar reasons to import Chinese weapons into the US, where in turn they were sent on to the Contra mercenaries). The later point is not insignificant in that Rewald himself alleged CIA links to the Tongan financial institutes,

claiming that the CIA had laundered weapons profits through these particular institutes.¹

Tonga, in fact, had a number of notorious arms and criminal contacts (including Rocky Cribb and McDonnell Douglas) formed through its links to the liberation movement and WACL members from Taiwan.

Yet a further Libyan connection can be established when Libya sent \$185,000 for the establishment of the Muslim League centre. To the horrors of the mullahs of Tripoli the \$185,000 did not go into building a Muslim centre, it went instead directly into the pockets of the Muslim League's sole member.

Further, beyond the circumstantial, CASPER's 'second line' cannot be tied into the big business names that CASPER alleged in New Zealand. Yet Tonga can be established to have had significant Libyan, Middle East contacts and US Intelligence ties. The King himself had visited Libya in 1979 while seeking funding for his international airport.

The WACL/Tonga connection had interestingly been established as early as 1977 (two years prior to the Libya venture) and the strength of these ties were reflected when, in 1985, Tonga hosted the WACL-affiliated Asia-Pacific anti-communist league conference.

Guests included the National Party's Roger McLay, Brigadier General Luis Villareal, the head of the feared death squads, the Philippine National Intelligence Co-ordination Authority (the PNICA was trained by the CIA), Max Carlot of Vanuatu and Dr Cheng Kang Ku Lan, chairman of the WACL. At this time Tonga's honorary consul was Ryoichi Susakanwa, a member of the Moonies Church (which had close Yakuza, CIA and Korean Intelligence links). Susakanwa was in fact also a former World War II war criminal.²

Politically it has always been clear that Tonga swings to the right. This is not surprising, given that Tonga voted against the anti-nuclear Rarotonga Treaty. In fact Tonga went further when it welcomed in the US fleet to Tonga.

Today Tonga retains its political astuteness and its reputation for nefarious links. Yesterday it was Libya and Taiwan, today it is Russia and Hong Kong. At the centre of the Tongan Royal court you will find Dr Sam Wong.

In Tonga Sam Wong's reputation is equivalent to New Zealand's Tuku Morgan. This local feeling was in no part fuelled by an anonymous

¹ *Daily Telegraph*, Jan/Feb 1987; *Matangi Tonga*, March & June 1987; *NZ Sunday Times*, 21 August 1988

² *Ibid*

seven page fax to the Tongan newspapers and the Palace Office from Hong Kong. The fax report of Wong's ties to the Hong Kong Triads (who are certainly well established in Tonga). Wong denies it, claiming he is the subject of a blackmail attempt backed by the Triads themselves.*

Regardless of the truth of the matter the trust that Wong inspires can be seen in the lack of enthusiasm that the Tongan Civil Aviation Authorities have for Wong.

When Wong attempted to launch "Friendly Island Helicopters", an air charter firm using Russian helicopters and Russian pilots, the TCAA questioned Wong's paperwork and it was not until General Muhlin of the Russian Aviation Authority stepped in personally that the matter was smoothed out. However this was not until after the TCAA had denied landing rights to a Chinese 747, carrying materials for one of Wong's development projects.

In a similar episode the TCAA had refused Wong's credit cards and the Crown Prince's friend had to pay for the refuelling of an Aeroflot International Air freighter¹ in cold cash. The total amount, \$55,000, was paid in dollars by Wong - although even then the aircraft was only allowed to be partially refuelled. Subsequently the Russian aircraft would have to stop in for a "top up" in Fiji, so Wong alleges.²

Even so, the TCAA had good reason to doubt Wong's credit cards: one of the get rich quick schemes he hatched with the Crown Prince was to issue credit cards in the name of the Bank of Tonga to anyone prepared to pay for one, leading to massive credit card fraud. Maybe he was trying to use one of his Bank of Tonga 'goldcards' at the fuel pump!

One of the more significant parts to come out of the entire saga came following the collapse of BBRD&W which according to the principal party Rewald had been established to act as laundry conduit in the style envisioned by both Hellaby and Petersen. It was easily overlooked, being of little relevance, yet the interest in BBRD&W had revealed a nugget: according to Reuben Tyler of the Cook Islands-based South Pacific Trust Corporation Ltd, the volume of money entering New Zealand from the US corporations sheltering in the Cook Islands had

* Wishart's Tongan sources inform that Wong's allegiance lay with the Crown Prince, a man described as "in the pocket of Asian organised crime".

¹ Aeroflot international is associated with Hevilift. Aeroflot was originally refinanced in the 1980's by an undisclosed British firm believed to be a major UK contractor to British Defence.

² *Maitangi Tonga*, October & December 1995

increased. But no one picked up on it or bothered to consider it's relevance then. Why would they? It was 1987, no one had heard of the wine box, and the RSL dominoes had just begun.

This fell against the back drop of Ross Meurant's "Maori terrorist" maiden speech to Parliament and his claim of a planned Maori activist coup, as it was headlined in the press, with Meurant citing Fiji-style the role of the PLO. It led *Wellington Confidential* to ask "Are the Nats (National Party) trying to provoke a racist war?"

A year earlier Frost and Sullivan had compiled a private sector risk assessment report of the kind undertaken by such agencies as the CIA and State Department. The report was published eight months prior to the 1987 elections. In the analysis of "Regime Stability" it considered the likelihood of what it called "turmoil". Race was number one, at the top of this list. Black Power were singled out as the potential "nucleus for future urban terrorist activities..." providing fuel for future election campaigns in which the law and order issue is a thinly disguised means of calling for harsher penalties against gang activities.

This overlooks the fact that unless you want a prison on every street corner, such penalties would probably make the gangs a more attractive magnet to disaffected and unskilled young Maoris. (*Wellington Confidential* No 48 1988).

After all, no one could accuse the white South African regime of being soft on black gangs, or Israel of being soft on Palestinians, but in both cases all the waving of a bigger stick created was a much tougher animal to deal with.

Remember that next time you feel a knee-jerk urge to respond to the crime problem without tackling the root cause.

In March 1998, the *Independent* reported Labour MP Tariana Turia expressing concern that "polling research presented to Labour MPs recently showed race relations, not health or education, was the number one issue in New Zealand".

Turia was worried about those who she felt were using that information to exacerbate the situation. "I feel concerned the research may be misused. I'm learning a lot about politics and a lot of it I don't like."

I wonder what Turia would make of the Frost & Sullivan report? I wonder what she would have thought of a criminal fraternity being asked to play terrorist in a military exercise?

I wonder if Frost and Sullivan in their appraisal of the Black Power had ever considered that gangs need accountants too? To put it another way: if you want to get rid of the gangs forget about the tinny houses

and start going after the books. But that never seems to happen. I wonder why? Go ask Elliot Ness, go ask the Untouchables.

CHAPTER THIRTEEN THE EAST INDIES TEA COMPANY RIDES AGAIN.

“The big shot leans back in his new leather chair, ripped off the back of some poor unfortunate beast.” - The The, from the album Soul Mining

What is a racist? There are many definitions for this term but I think the one that defines it best for me is the definition that Syd Jackson gave to a class of political students at Canterbury University in 1991.

“Racism is not about the colour of skin, racism is about economics”.

I think it was at this point that I started having some respect for what Syd Jackson had to say. Then again, it was the first time that I had ever heard Jackson speak in person. Up until this point the only time I’d ever heard of the man was when the news media portrayed him shooting his mouth off – in other words we, the public, only saw Syd Jackson in the way the corporate media wanted us to see him.

Maybe it’s that I’m stupid, but I find myself agreeing with ‘pinko’ Jack because I just find it impossible to believe that people really go to war just because someone has a better suntan than someone else.

People go to war either because they wish to take something from someone, or because they fear that if they don’t act with aggression they will have something taken away from them. The issue of race is simply an excuse by which the offending sides can justify the indefensible. If it wasn’t race, it would be religion, if not religion it might be cultural differences, if not cultural then ideology.

At some stage a justification is always required whenever people are involved, or they are being pushed towards, carrying out acts that are - in the cold hard light of day - inexcusable.

Justification allows us to dehumanise our opponent to the point where we can say to ourselves “I am not inflicting pain, I am simply removing a threat.”

Racism is just another name for something that is ingrained into all of us – mistrust of strangers. We don’t know strangers. We don’t necessarily want to know strangers. They are one or two dimensional caricatures that live in our subconscious or inhabit the TV news. And it is because we don’t know strangers in the way that we know family and friends, we don’t have to care about them. And not caring about other humans at an individual level is what allows all of us to avoid having to face the consequence of our actions.

It's what the American rock band *Disposable Heroes of Hypocrisy* describe "as breathing with a respirator", it's what I call the injured robot defence.

As much as I hate to admit it I'm a racist, or that is to say by own definition I have a racist tendency (to let my bone-pendant wearing conscience off the hook). I'm a white middleclass university educated male (just so that the university-cloned feminists can feel smug too) which, by the statistical dynamics of this society, makes me a winner. It's reality time. By the stake of what I have to lose should these dynamics be shifted it's in my interests not to question the benefits of my status. It's in the interests of my culture to highlight the failings of others as being the consequence of their own cultural flaws.

In this task white middle class New Zealand is assisted by the corporate media (which of course is owned by honkies and not dem mud people). And when Rangi Boyd the VII commits a crime, the crime section will not read: "police are looking for an offender of 2/3 European descent". We all know what the headline will say.

If the bards of the Middle Ages acted like the papers of today they would be yelling "Saxon scum rapes Norman woman". Yet, as Rangi Boyd's ancestor will tell you, the Normans were prolific rapists. Of course, the bards only sang in castles, and the castles were owned by those with the gold. Moral of the story? He who pays the piper calls the tune.

To corroborate this myth, along comes the fair minstrel Alan Duff attacking the liberals, and pointing to the army of Lion Red crates littering the land scapes of South Auckland, mixed in with millions of dollars worth of cheap and nasty cigarettes sucked into the lungs of the same community every week.

The problem is simple, says Duff: if the urban Maori weren't such lazy dole bludgers, such booze-bingers, if the urban Maori didn't have such an addictive nature, such a weak nature, then every thing would be all ok. Duff concludes that urban Maori have only themselves to blame.

The infuriating thing about Duff is that he is obviously not a moron. You can be forgiven for thinking this as you read every nine out of ten of his formularised articles, as they appear in the daily papers. However, then a tenth article will come along and you find yourself startled as you find yourself in agreement. Yet by the next issue Duff returns to his woolly formula of work hard, have a value for education, and only get drunk on wines with French sounding names and you'll do ok.

Don't get me wrong: without a doubt booze, fags, and a bloody big chip on the shoulder of a lot of Maori people contribute to their plight.

Yet there are four primary points that Duff misses in his analysis of the situation.

Firstly, Duff blames alcohol. But in doing so he chooses to ignore the power of advertising, which works on familiarity and codependency. The situation is summed up in the American movie *Boyz N The Hood* when the African American hero points out to his son (to paraphrase) ‘how come you only find liquor and gun shops in the ghetto, and not on every corner of Beverly Hills?’

If you don’t think advertising works go down Queen Street on a Friday night and count the McDonalds wrappers that litter the street. To translate *Boyz N The Hood* to a New Zealand setting, how come you don’t find ten metre tall billboards of beer drinking role model types like the Warriors in the plush suburbs of the North Shore or Remuera?

Alcohol is a powerfully destructive force and if it’s part of your upbringing, part of your social fabric, then escaping its negative elements isn’t as easy as Duff makes out. If you live in an environment all your life and all you see is pain then it becomes very difficult to learn a new language.

To put it another way if your parents were alcoholic the chances are that you’ll become one too. This is not because of genetics (though in alcoholism there is some evidence that genetics plays a role) but because of conditioning.

The arguments began after the bottles were opened, and because of alcohol your childhood memories are ones of pain. The reek of alcohol assaulted the senses as a human bayonet shredded your soul. Torture is designed not just to make you confess to the lie, but to make you believe in the lie.

He wanted to make you think you brought this down on yourself.

“This is what you really want, admit it bitch!”

The first assault sends the senses sprawling.

“If it wasn’t, this wouldn’t be happening to you,” he lets his rage scream as your mind tries vainly to figure out why this is happening to you.

As the rape begins it carves an everlasting image, a taunt that he had power over you.

“Remember this, bitch, cos I will.”

The mind collapses. The pain is too much. You will believe any thing to make the pain go away.

Years later in public she exudes confidence and joy, but sometimes when she sits in cafes her head is down and dark sunglasses ensure that no one can see her eyes. In intimacy she beats herself up, crying “poor

me, don't love me, don't take me seriously or treat me like an equal for I'm crap".

She describes herself using words like "bitch", and "I'm just a slut". She desperately desires to escape herself, and alcohol presents an easy answer.

In the end it doesn't make anything better, but its familiarity brings a sense of comfort. It's something she can relate to, it provides the control she desperately craves, when most of the time she feels as if her entire life has caved in. ("if alcohol could take me there I'd take a shot a minute, and be there in an hour"- *Times Square*, Marianne Faithfull).

I have seen two friends imprisoned by this: one behind steel bars for becoming the Monster. The other behind invisible bars from which she may never escape. Yes, I write from hurt. Yes, I write from anger.

When your entire culture, everything you know, everything you understand, and everything you are familiar with is effectively tainted by this drug it's not as simple as Duff's "Get off your asses, you lazy dole bludgers".

Further, Duff remains silent on how its possible for the lawyer on a \$100,000 salary a year to go to the bar every day after work and spend at least \$100.00 every night, and how that same lawyer's wife doesn't say much when she goes to functions because she afraid of the consequences.

There's more than one pillar of society who's just as brutal at home as some of Duff's characters, yet the victims don't make a noise because of their social station.

Yet we expect this brutality of one culture and not of the other. Do we really believe that a suntan is the cause of all of this? I'm sorry. I just can't, and won't buy that.

Our problems, to return to the core of this chapter, are economic. Race, as in other countries, is merely the scapegoat for a deeper problem.

"It reminds me of the history of the South," says Dr Vernon Andrews a lecturer on African-Americans who teaches at Canterbury University.

As he indicates, the South in its early days provided the cotton that made the merchants in the North rich men.

In Vietnam, the South provided the greater chunk of the front line troops recruited - then as in now - from the lower socioclass, a word which in places like Alabama is spelt C-O-O-N. The South was and is a slave economy, only today society is less in need of a large labour body so the unemployment rate has increased as is the case concerning the homicide, and drug dependency rates among young Afro Americans.

Critics will reply “that was their history, the South is not NZ.” Yet in less than a decade 7% of wealth has moved from the poor of this nation while 20% of the wealth has landed in the hands of a shrinking wealthy class. Cross-reference this against Maori health statistics and the message becomes clear. If you have money you have education, if you have education you end up with more money, you know how to live healthy, you can afford the expensive kinds of food ie. the healthy food, you can afford health supplements, you can afford Doctors and Dentists, you know you deserve it and you’ll kick and bite and scream at any one stupid or desperate enough to take it from you, and you just hope (fearing it might be so) that they’re not stronger than you.

If you’re broke, your kid’s unavoidable trip to the dentist is just as likely to mean stressful dealings with the ‘Poor Police’ a.k.a. the debt collection agency six months later. If you don’t have money your survival chances are greatly reduced - FACT!

So how do you harness such alienation?

Well, the descendants of slaves make ideal Karpo’s¹ for Maoridom with their strong sense of alienation. The research had, of course, been completed long before in lands like India and then Africa. It can’t have been difficult for the Rhodes, Armstrongs, and Holyoakes to work out which existing grievance was ripe for the picking. It was rifles for the Mogul dissidents, British muskets for the Mohicans, the tactic of Commodore Perry as the US fleet gunboated its way into Toyko.

The tune “history never repeats, I tell myself, before I go to sleep” (Split Enz) floats into my ears and I laugh out loud, lighting up a cigarette.

New Zealand’s richest man is a beer baron and alcohol peddler. New Zealand’s poorest citizens drink vast amounts of his product. Who says the Romans taught us nothing about bread and circuses?

In New Zealand the lines have been drawn. If you disagree just look at the reaction on peoples faces when an overseas visitor asks about race relations here. You will get two kinds of reaction: one of embarrassment, and one of passionate “bollocks”. One thing’s for sure - everyone will be emotional, and everyone will have a view that’s right.

Race relations have the potential to be New Zealand’s own little Northern Ireland. The Militants know they’re right and that it’s all ‘their’ fault. The moderates keep quiet and hope it’ll all go away.

Unfortunately militants and barbarians (and I do believe the two are closely related) tend to have high IQ’s but low EQ’s subsequently they

¹ Jewish prison guards working for the Nazis in concentration camps.

fail to comprehend that history is in itself a living document that repeatedly sets the precedents by which humans mutually benefit from the offspring of cultural exchange, and mutually lose when the contact becomes cultural subjugation.

Any race of people thus, by the standards of this accord, have every right to resist when the latter as opposed to the former is the case. Further they have the right to determine by what means that resistance shall take place.

One of the problems is that European New Zealanders have let the Government 'sort it out' by paying huge sums to selected figures in Maoridom and trusting in the trickle-down theory.

Hell, the trickle-down theory hasn't worked for the rest of us in the last 15 years. What makes you think it's going to work in Maoridom given what you've seen in this book?

As one Maori contact noted: "giving money is not the answer, for if you throw a million dollars at anyone without there being accountability, you're relying on the unrealistic situation that the desire for new underpants will in every case be defeated by the strong will of the individual".

As a country we're being led up the garden path. Again your good old TAB kiwi will bitch "bloody Maoris" and even Ms Roman Sandals the fish bone wearing private school teacher will, after a few Gin and Tonics, confess that the Ngai Tahu fisheries seem to smell like their catch, prior to going on to tell Maori jokes, in a slur, that she would never repeat when sober.

European New Zealanders see a billion dollars being spent to 'right' century old grievances, and wonder why they don't stop complaining, while ordinary Maori see a billion dollars going to the sharks at the top of the food chain, and they too wonder why they're not seeing it.

Yet none of us ever stop to consider why it is that so many of those calling the shots have Scottish names, and can be found on the boardrooms of firms whose 'capitalist' dreams lean towards concepts such as Globalism, MAI, and Free trade. We have decided that the compensation issue has nothing to do with us and that it's a Maori problem, that we should just pay them off let them work out what to do with the cash, and say "bloody oath, we fixed the damage - what more do they want?"

Ignorance has stopped us from considering what happens when the various financial enterprises associated with the Maori Trust Boards have been run into the ground, not because they're being run by the

Muldoon stereotype of Maoris but because they are in the hands of those with a severe conflict of interest, in my view.

What happens when, through inexplicable yet recurring mismanagement and boxer-short slumber parties of a serial nature, the enterprises become ripe for buy outs?

The assets get liquidated, the creditors get nothing, the fishing boats end up being sold to Corporate Japan and German subsidiaries managed by the well paid Chairman of the upperclass bowling club, James Anglican - accountant to Boris Thugov.

If you find that your fish is too expensive go buy cake is their cry. General Motors ends up controlling the ports and if you don't like the wages too bad. The factories get brought only to be shut down. Why make All Black Jerseys in NZ when you can make them in Mexico for a tenth of the price. And of course the crims, who have done the dirty work, get rewarded with a blind eye until they're strong enough to turn round and poke out the other one.

Everyone loses (bar the feudal few in their Norman Castles) not just the 12th generation settlers of this country, but their sixth-generation counter parts.

But Barry doesn't want to know about this. He doesn't want to know why the 'loony' damaged the America's Cup - the material personification of Fay Richwhite ego. He doesn't want to know of the anger that led to a vandal trying to chop down the tree on One Tree Hill, he doesn't want to consider why it is that the media zeroed on the ominous side of Tame Iti's victory speech "and we didn't have to fire a shot", at the cost of omitting the pride with which Tame Iti was expressing that a solution could be achieved without the conflict descending into violence.

Tame Iti is aware of this situation, and what his options are, as are a number of Maoris, especially those from the Urban Maori (slave) class who having once familiarised themselves with the issues have become justifiably angry with what they have found. Yet that anger has made them potentially vulnerable in that they are suspicious of Europeans who advocate the way of survival as being the path of Te Whiti and not Te Rauparauha.

Forget about who has the right of land ownership and concentrate on the primary issue: reclaiming the power of the people. Because if we don't it won't matter in the end who 'owns' the land. For myself get rid of those bastards and as long as my kids are allowed to dream, and I'm allowed to ask questions, then I don't give a rat's backside who owns the land.

The bottom line is the conflict that we find ourselves in is occurring not just in New Zealand but in many forms all around the globe. The issue is not about authority, or racial rights (in the sense that once they have done away with the Jews, then they will do away with the Gipsies, and once they have done away with them they will do away with those who wear glasses and then those whose work has left their hands soft).

The issue facing the human race is survival. We can argue all we like about who owes who allegiance, which priority comes first, meantime the rulers quite happily destroy this planet and themselves. Actually the planet will probably still be here but Mozart will be heard no more.

Perhaps only a child could understand and realise how serious I am.

It's all yucky and if we don't get our act together it will never be yummy again. I've said before that I believe in the human soul, so in light of my alleged invincibility of the soul why should any of this matter then? For the soul cannot close its eyes and feel the touch of a hand against its face. To lose this magic would be a waste, a tragic waste. A waste of potential, an act which no one deserves. It's just that simple.

This is not a lot of fun to say. Yet at the time of writing I was fortunate enough to encounter an individual who with great skill was able to show me that the answer to my problem lay within.

I told Jack of the pain that I was feeling and how I wished to express it. Jack listened and then he spoke:

"Once there was a father who wished to teach his son a lesson. He took a pole and planted it in the ground. Then he took his belt and he secured it first to the pole and then he asked of his son if he wished to play a game, to which the son eagerly agreed, so the father then secured the other end of the belt to his son.

"Having done this he started to poke his son with a Te whai. At first the child avoided the spear easily and laughing he ran around the pole dodging his father until in running around and around the pole he had wrapped the belt so that he could run no further. At this stage the father was able to poke the son. The son began to protest, then bleat, then cry, and then the son became angry and then he fought back."

Jack advised "write your story. It is your job to tell the truth as you see it, as fully as you dare. If people read it then in doing so they announce their decision to play, you have coerced no one. Care but do not be concerned if they listen or not for that is their decision not yours.

So yes my truth (my version of it) is brutal, and it's raw, it strikes nerve endings with deliberate intention. Yet I could tell you what you

want hear but to me that seems cruel and it would be a selfish act which would hurt more than telling you what I honestly think.

It has never been my intention to tell any one what they must do. I simply steal the information and I lay it at your feet.

A REASON

There are reasons to be angry

there are reasons to fight

to fight like we have never fought before

but people: fight with heart, fight with mind - not anger

For fighting with anger is to be afraid

and fear will beat you every time.

CHAPTER FOURTEEN BLACK POWDER

*You've got my sympathy but don't shoot shoot shoot that thing at me -
The Violent Femmes.*

In 1989 I found myself drawn into the investigation of arms smuggling. I was young and naïve, and certainly didn't expect to find myself looking at Maori activists let alone the New Zealand Security Forces.

Operation Golden Fleece was the largest low level intensity warfare that the Defence Department had ever run. It would even have an eight figure budget and involve the entire arms of the Defence Department including both the Regular and Territorial Reserve forces.

Amongst the circus I found myself stationed as an Artillery Intelligence Operator (glorified map marker) and signal operator. My post was the central command post of the exercise's primary fire support base. My neighbours included Army Intelligence, Army Signals and Air Intelligence (manned by an Airforce Captain).

It was through proximity to these cells that I discovered that, as a public relations exercise, the Royal New Zealand Army had invited local north Island chapters of the Black Power gang to play the role of terrorists. It was an exercise that would turn to a disaster. One of the reasons being that the Black Power participants turned out to be too enthusiastic in their role.

When the Army conducts exercises like this, the Security Forces are expected to "kill" ten terrorists for every member of the Security Forces killed or injured in action. A similar equation for success is determined by the number of POW's captured.

In Golden Fleece the ratio of Army KIA's and enemy KIA's worked out at 1:1. In terms of POW's the rebels had won hands down. At the end of the three week exercise the Security Forces had lost a staggering 200 men (which, by Low Level Intensity Warfare standards, is more than double expected levels). The figure would have been higher except in a number of cases umpires had not been present so the kills were not included in the official figures.

The Black Power made devastating terrorists.

One such attack landed by the fun-loving lads of Black Power, a simulated bombing, would have, had the umpires been present, taken

out the entire Australian Contingent¹ of, if I remember correctly, seventy men. The same attack was later inspected by Royal Army engineers and according to an officer I overheard speaking from the Army Intelligence corner of the tent the wiring of the device was considered an “*extremely professional*” job. This little piece of information left me viewing the Black Power in a new light.

This was not a hotch potch outfit of bikers and misfits, but a highly organised outfit that had demonstrated a high level of military expertise. Where the hell did they get it?²

This incident fell against the backdrop of a story I had been told by a friend I’d worked with in Queenstown during 1987, just after I leaving school. My friend alleged he had been previously employed as a carpet cleaner in Auckland where his clients had included the Auckland chapter of the Black Power. During his cleaning duties, he regularly so he claimed, uncovered firearms, “under beds, behind doors..”.

Yeah well, you’d expect a bunch of bank robbers to be carrying a sawn-off shotgun or two, wouldn’t you? Think again: the haul included a number of handguns, Eastern European automatics (or semi-automatics), and on one occasion, according to the description given by my friend, a Light Machine Gun or Infantry Support Weapon. I haven’t seen my friend since then, but in the context of what he said, and what I knew of his demeanour, I believe this individual to be a reliable and honest witness.

In 1991 further information for the file was entered when I met ‘Andy’, one of my neighbours. Andy had been Sergeant at Arms in the Auckland chapter of the Black Power. He’d become a bouncer, and in fact made a great bouncer when he wasn’t ripping you off, threatening strangers with a machete, beating his wife or his dog.

Andy was also a great source of information, as was his flatmate Paul, a junior patch prospect and general petty thief. Without being asked leading questions, both Andy and his flatmate told the same stories: Black Power was into weapons smuggling. It was also, so they alleged, the common practice to use an assault weapon (such as an AK-47) in

¹ Mess hall rumours claimed these men were ASAS, but I doubt that.

² During the exercise the only gang I was informed of was Black Power. However, some news reports document the involvement of the Mongrel Mob’s Whirinaki Chapter. (*Te Iwi O Aotearoa*, Feb 1989, *NZ Geographic*, Apr/Jun 1989) The gangs were selected, according to the articles, to play the role of ‘terrorist sympathisers’, referred to as ‘The Rogues’. (Racially-Orientated Groups of Unemployed) In one ambush, Te Iwi claimed “70%” of the NZ Army soldiers were killed.

gang hits. Such weapons were then passed to fishermen and within 48 hours the weapons in question were leaving New Zealand via Invercargill.

In 1991 during Operation Ivanhoe this and other reports caused me to ask an Army Intelligence Officer if the security forces were aware of this situation. The officer in question confirmed that this was the case. In fact he told me one of his friends was an SIS agent who'd been ordered to investigate Black Power's ties to the illicit weapons trade.

The investigation, however, was abandoned shortly after the agent stumbled on significant new evidence, and plans to officially notify the police were shelved. (This military intelligence officer was interviewed by me twice, once in 1991 and once in 1998. In the second interview there was no significant change in the version of the story that I was told).

In 1991 I came to work at a popular Christchurch night spot where the chief, whom we will call Houston, turned out to have a colourful past if his tale were true. This individual, a short term flat-mate reported a strong connection to the criminal and sex industry in Auckland (in Christchurch he certainly had a strong drug trade affiliation). He subsequently boasted of being able to procure pistols for between \$600 and \$800, and \$1600 for an Uzi, and asserted he had been present at the home of a well known Maori activist in 1987 when "*a Range Rover of French semi-automatic shot guns was unloaded and buried under the house*". In the same period Christchurch security personnel would report having seen a shipment of the same French weapons being carried by US military personnel in Operation Deep Freeze.

At the same time in 1987 a large New Zealand based arms firm with US intelligence connections would also import a large shipment Franchi Spa's, a brand of French Semi-automatic shotguns.

In 1993 I came to flat with a relative of the Maori activist cited above, this same individual confirmed the story was true to his knowledge, and that the gangs did have in fact access to such weapons. The same individual insisted it was common practice for police to downplay the use of such weapons in Auckland and this use would subsequently be left out of media reports. In Easter of that year, I found this out for myself, first hand.

While returning from Christchurch I was stunned to hear the sound of automatic gunfire within the suburb of Addington, located near the headquarters of Highway 61. Within half an hour the same incident was reported on a Christchurch radio station, where it as described as an incident involving "an air pistol".

The police don't want a public panic on their hands, and they rely on the fact that most eyewitnesses wouldn't be able to distinguish between an automatic and a plastic toy. A gun's a gun's a gun.

In relation to the use of military style weapons by gangs, Assistant Commissioner Ian Holyoake replied to my inquiry via Heather Church of police media liaison (fax 15-9-97 16:07 Police Media Services), "Assistant Commissioner Ian Holyoake (Crimes & Operations) says there is no evidence of weapons being brought into this country illegally".

Holyoake continues "*Police are aware of various overseas reports of illegal arms trading, as a result of the break up of the Eastern Europe military alliance. But there is no evidence New Zealand groups are involved in the illicit trading of weapons*".

Holyoake is very specific on this issue, "*Police are aware that some gangs may have access to semi-automatic weapons, but that there is no evidence of automatic weapons being used for criminal activity in New Zealand*". I was, to say the least, bemused by the New Zealand police reaction.

This seemed inconsistent with previous Police statements and I raised my concerns with Church, referring her to the May 26th Radio New Zealand interview with Holyoake's boss, Commissioner Peter Doone. Doone's interview followed claims by criminologist Greg Newbold on TVNZ that hand guns were being brought into Lyttleton by eastern seamen that were in turn being sold to gang members and organised crime.

I asked Church if the Assistant Commissioner would care to review his statement because I wasn't out to make 'junior' look silly, but if this was the official stance of his office then this was how he would look, in my view. After reading Church the excerpt from the Radio New Zealand interview, the penny appeared to drop:

"...um ah...[pause].. yes I see what you mean, listen can I get back to you on that?" she queried.

Holyoake's boss had said the police "supported" Dr Newbold's findings, but although police knew about the trade they had been unable to stop it.

"We can focus on where (these weapons) are coming from, but so far we have been unsuccessful in combating this particular problem".

Shortly afterwards a terse sounding Church contacted me stating that his original statement remained the official position with the Assistant Commissioner "having checked with his people in Intelligence" [cough] "Mr Doone said on National radio yesterday that police believed guns

were coming into New Zealand from overseas and that Dr Newbold's claims were consistent with our intelligence". (NZPA May 27 1997)

So this is what I believe is called a conflict of evidence between two police bosses. Make of it what you will.

Newbold's claims are widely known within Christchurch subcultures. If I wanted weapons at any given moment I could for example contact:

1. PK, a night-club worker associate of Houston who could put me in contact with two of his associates who purchase weapons off Eastern Sailors, Glock \$1500
2. Rambo, musician, able to purchase weapons off a well known Christchurch gun dealer.
3. JAZ - he could put me in contact with the "Two Johnnies", black market hand gun dealers, procuring weapons from Lyttleton.
4. Mustang Pete, able to acquire illegal weapons (from Invercargill sources).
5. The Cowboy Junkie, handguns \$600.00.
6. Biker Chick, handguns Glock \$1200.00. Source Highway 61.
7. Coldeyes could probably provide further leads in this field.
8. Mr Blue could have provided me with my weapon of choice via his Russian affiliate until 1997.
9. A 'Rhodesian' associate again could probably provide further leads in this field.
10. Loser Zero, has provided me with information concerning the procurement of pistols, and Eastern European automatic weapons, in Christchurch and Motueka. Loser Zero (he chose the nickname not I) has also provided me with information linking the importation of narcotics and weapons into New Zealand by a well known Nelson businessman. Supplementary

sources have confirmed Loser Zero's information, providing details of this man's operation, on a number of occasions.*

11. One source, a friend of mine who I will call Mike Moorcock (after the author of *Dances at the End of Time*) is an individual whom I would describe as one of the nicest guys you could ever meet. He swears that he has seen photographs of an Epitaph (a white supremacist based gang) member holding an RPG-7 rocket launcher. This source I consider completely reliable and qualified to recognise such a weapon. You may recall that prior to the 1990 Commonwealth Games in Auckland, Police and intelligence service personnel were raiding the homes of Maori activists looking for an RPG-7 believed to be in the country.
12. A recurring rumour ties the Chatham Islands, via an accountant tied to the Black Power, into the shipment of narcotics and weapons into New Zealand.

Kevin Burrows of Risk Security, former head of operations on gangs (and former member of Police Intelligence), also counters Holyoake stating "They [the gangs] certainly have them.....however in the majority they're restricted to the gangs in the North (in association with large cannabis plots)".

Indeed it was the association of the large organised crops to weapons that first led me to CASPER who reports on his own encounter with plantation growers in the King County in the late 1980's.

"There were crates upon crates upon crates of weapons. They were Uzis, grenades, AK-47's and American stuff."

CASPER was able to diffuse the situation, so he claims, by establishing that he was from the same tribe as the growers: Tuhoi. Children of the Mist.

In 1997 another friend, who I again classify as totally reliable, told of being present at a Hui in the early 90's that was seriously disrupted by the presence of a small circle of Tuhoi militants calling themselves Te Ahi Kaa meaning "the fire within" who were claiming that they had large caches of weapons buried all over the country. In saying that, it is

* Located near Motueka, there exists another group dubbed M (blank) Million Mafia, due to the scale of their plantations. This group, I am aware, are on a first name basis with many of Wellington's top mobsters.

significant to note that of all the hearsay reports I have encountered I have never heard of these caches being matched with items of any significant amount of ammunition. In the rare cases that I have the quality of the information has been poor.

CASPER claims the weapons were purchased from Soviet sailors. Night-club workers and sex workers certainly tell of a number of cases where Russian sailors have mysteriously large amounts of US dollars and grass to burn. Yet it is also significant to note that Christchurch Black Power's primary accountant has several connections to Russian business and to New Zealand businesses that trade extensively in the former Soviet Union and Eastern Europe.

These business in fact also hold significant ties to a number of multinationals and think-big related industries as the same firms have links to former Commonwealth security personnel.

CASPER and Burrows' allegations of gang, grower and weapons ties is again raised by Newbold:

"I've talked to people who have gone to big Auckland gangs and found literally a whole house of weapons.....automatics, semi-automatics, rifles, pistols,, whatever".

The above is the quote I wrote in the original article (which no corporate media outlet chose to print). The missing segment, (the ",") included the word "rocket launchers". I had left it out for fear that this would be too much for our media to handle, despite the confirming testimonies of Burrows, CASPER, Doone, Newbold, John Anderson at Customs, and the statement made to me by Les Gee, a former Military Intelligence operator.

GEE TESTIMONY

"Large quantities of weapons were brought into and out of New Zealand.... A lot (of weapons) were coming from Australia,, China, another source being surplus organisations in Europe and the USA."

Les believed the ultimate destinations of these weapons were places like Fiji, Eastern Europe, Eastern Africa and Pakistan. (All transit points for BCCI/Western Intelligence affiliated weapons pipelines - my note, not Gee's).

Another New Zealand link to the arms Bazaar of Pakistan arose in 1995 following the arrest of Peter Bleach, a former British Intelligence Officer and former Rhodesian prison officer, in India. This followed the seizure of a Russian Antonov AN-26, piloted by five Latvians, loaded

with \$300,000 worth of Belgian small arms, Peter Bleach and the mysterious Kim Davy who's passport declares him as a New Zealander.

There was one problem, Kim Davy had died in Auckland aged five in 1965. New Zealand Customs & Excise and the Indian CBI (Criminal Bureau Investigation) cite Davy as a Danish-born arms smuggler based in Hong Kong. CBI further alleges that Davy was a member of the "extremist" cult Ananda Marga, which he joined in 1990.

The primary evidence tying Davy into the cult was the discovery of a photograph. Bleach further warns of "an illicit deal & the end user certificate appears to be an insurgent group in India". Following the meeting Bleach says the police warned him off the deal but that, at that point British Intelligence stepped in and asked Bleach to assist in a sting operation designed to capture Davy, who was then conveniently discovered on board the AN-26 when it stopped in India. Then Davy mysteriously vanished.

Bleach claims his own presence on board the AN-26 followed his meeting with the Special Branch of North Yorkshire and the Metropolitan Police, having previously sent a fax to Colin Atkins of the Defence Export Services Organisation, a branch of the British Ministry of Defence.

English freelance journalist Andrew Marshall, operating from police and court documents (in England and India), says that the Indian authorities had been warned of the AN-26 and its probable cargo. Nevertheless the AN-26 was able to pass through three airports and drop it's cargo off prior to interception. Further, the AN-26 was never detected by Indian Airport Authorities as the military radar essential for India's defence of it's troubled Eastern Sector had been turned off, for reasons never explained, during the AN-26's flight. *

* In 1998 AFP would report that the Pakistani police had arrested 100 people as part of an operation to round up suspects paid by Indian Intelligence to sabotage Pakistan. Pakistani Intelligence believed that Indian Intelligence had recruited smugglers to carry out bombings for hefty sums of money.

In the same period, Iran's government reported its intelligence discovery that the nine Iranian diplomats killed by Taleban renegades had in fact been mercenaries employed by the Pakistan Government.

In India, western intelligence had probably, through Davy, aimed at destabilising the region, and Ananda Marga were simply the patsys. Allegations that the CIA were involved in arms deals with Pakistan were more than a conspiracy theory. As early as 1980, Admiral Stansfield Turner had explained to President Carter how the Americans would use Soviet weapons, moved through Pakistan and destined for Afghan rebels, to provide plausible

The AN-26 was finally intercepted at Purita airport in India not by the Indian Police but by agents of the IRA (Indian Research and Analysis, the Indian equivalent of the CIA) and their chief rivals the Central Intelligence Bureau (MI5) at 1:20AM. Police were not called until 2:40am when then, and only then, the IRA chose to wake the Bombay Police Commissioner. To the police chief's credit, police officers arrived at the arrest site at approximately 3:00AM.

At this stage the spies had gone, and so had Davy. In fact the police were lucky as the AN-26 had just refuelled and was just preparing to take off when the police turned up. The CBI told Marshall "another Indian Agency knows more about Davy than it admits".

The New Zealand connection to international criminals and/or arms dealers was not an isolated event. A number of mysterious individuals had been passing through New Zealand in the late 1980's and the early 1990's, including gun trafficker Simon Spitz (from Germany), ETO Director Dr Gabriel Zimmerman, American Stanley G Williams (affiliated to German Ponzi schemes), Max Raepple, German confidence trickster (of the Maori Loans Affair fame), and the CIA affiliated Jonathan Friedrich originally from Germany¹, amongst others.

In Spitz and Max Raepple's cases there were certainly strong intelligence and arms connections and in Raepple's case a Black Power connection.

Such affiliations again surfaced via a conversation with one of my intelligence sources. I have known this individual for over eight years. He's a calm and gentle person not prone to exaggeration, and I was staggered when he confessed to murdering a New Zealand drug dealer on behalf of a foreign intelligence agent stationed in New Zealand.

The reason for this "street justice"? The two intelligence agents had become fed up with being told to leave this man alone on the grounds that he was a police informant whom also allegedly had ties to "Reagan's people" in the CIA.

The murder, in fact, led to the death of a second man whom the source admits they had framed in such a manner that his associates would think he was responsible for the original killing. If it had been anyone else than this source I would disregard it. Yet staggering as this revelation is,

deniability.

¹ According to NZ Richard Tomlinson the former MI6 officer, British Intelligence was specifically interested in the laundering operations of several German banks.

I warn the reader this is a singular hearsay report with no corroborating evidence.

Again to affirm the ties between politics and crime there was the murder in February of 1998 of Murray Renata, a self-described “terrorist” whose bullet ridden corpse was found shortly after August 1998, which is when he was first reported missing in the forests of Northland.

The homicide was, so police allege, “drug related”. The interesting thing is that I had seen CASPER originally on Boxing Day 1997. I saw him next in May, shortly after Renata’s murder, where he warned me that I had “opened up a can of worms”. Yet Renata was not, strangely, noticed missing until August, when his murderer Gary Colquorn was detained almost automatically.

Gangland killings like Renata’s are not isolated, and they illustrate the scale of organised crime. Nor do the police always like to get involved. TV3 journalists Steve Christensen and Pete Stones were approached by a criminal in 1991 who wanted to confess to a murder, a “hit” that he’d been forced to carry out several years earlier. After shooting his victim, the killer dumped the body in a river leading to the ocean. TV3 called in the police, who made a half-hearted sweep of the river, predictably found nothing, and told the conscience-ridden hitman to take a couple of aspirin and forget about it.

Northlander Kevin Maxhau, drug dealer, safe cracker and hit man, a client of Mr Asia’s (with its US intelligence ties) lawyer Eb Leary, was reported missing believed murdered, by the police in 1998. He was joined by Michael Luton and Andrew Maaka - also of the Headhunters¹ (which Paul White’s killers are believed to have links with). Maaka’s corpse is thought to be rotating in a grave near former organised crime figure Geoffrey Walker.

The search for the four men’s bodies was part of the homicide investigation into the murder of Leah Stephens. She is believed to have been raped and murdered by strip club worker Ralph Stone – another Headhunter associate. Again it is relevant to point out that the suspected contract killers in the Paul White murder case were in turn affiliated to

¹ To join the Headhunters allegedly you have to execute a present member.

the Auckland sex industry², and linked to the security industry both in Auckland and Wellington.

At the time of my second interview with CASPER, he claimed a large cache of weapons had been found within the Waikato region. It was soon after this that my eye caught a news story about the discovery of a man shot in the head, who had been found dead with a rifle located nearby, in a swamp in the Waikato.

My eyebrows rose further when in subsequent media reports the still unidentified body had moved out of the swamp and was now found to have been located on top of his rifle, the verdict having changed from murder to suicide.

1996 proved to be a busy year for the hitmen of the underworld. Further bodies turned up in Auckland, including:

1. the discovery of a naked Japanese tourist, Kayo Matsuzawa, in an Auckland stairwell, cause of death, last seen in the company of two Asians.
2. The death of a Vietnamese money lender. Police suspect the murder may have been narcotics related.
3. The death of two Headhunters whose car crashed. Subsequent investigation showed that the brakes had been tampered with.

All these deaths occurred within a short time of several prime drug incidents in New Zealand and Australia in 1998.

1. The discovery of \$50 million worth of Heroin in a Newmarket, Vietnamese, American and South American syndicate.

² In a never-before published aspect of the Paul White case, Ian Wishart has confirmed to me that White was rumoured to have been taken to a massage parlour in the hour before his car “crash”. When Wishart and photojournalist Pete Stones combed the crash scene for clues three days later, they found a business card from a massage parlour in a puddle where the wrecked car came to rest. They also found some medical packaging discarded by the ambulance team. Although Wishart and Stones went to the parlour to inquire, they were stonewalled and no information was forthcoming. There has always been a question over whether White may have been interrogated before he was killed about the location of any hidden computer disks. And police have not been able to explain why he was pulled from the car wreck, minus any shoes.

2. The discovery of a significant amount of Cocaine smuggled from South America via New Zealand via a South American Asian syndicate.
3. The discovery of \$500,000 worth of Ecstasy, LSD (12,500 tabs) and marijuana “accidentally” dropped on the doorstep of Mr & Mrs Suburbia in Auckland.
4. The seizure of over eight tonnes of cannabis and 45 guns smuggled into Australia by a New Zealand Australian affiliated syndicate.
5. In December 1998 the executed body of an Australian shearer was found just outside Hokitika. Police again pointed to narcotics as a possible motive. In this case it is significant to note that the highlander had links to the Shearing and Meat work industry, and could just as easily have died while arguing about lamb tariffs.

Yet, crime links aside, it was the links of some in the Maori activism world to cloak and dagger work that interested me most, and CASPER’s story was not the first time I had heard allegations tying Maori activism to the world of espionage.

In 1991 during Operation Ivanhoe, I was serving on attachment to Force Intelligence group, a Christchurch-based counter intelligence unit. A Military Intelligence officer reported that, according to his SIS contacts, the expulsion of Soviet diplomat (who was probably as stated a KGB agent) Sergei Budnik had *not* resulted from the KGB agent’s involvement in financing the SUP via Maori activist Syd Jackson, as had been hinted in media reports at this time. The real reason lay in the fact that Budnik had for two years been running an agent placed within the Labour Government’s own caucus – a person with Cabinet access.

It is alleged that the MP was involved in an illicit affair, and the Soviets found out about it. Under threat of exposure, the KGB managed to run the Labour MP for two years before the SIS discovered what was happening.

Once the treason was illuminated, the SIS ordered the MP to continue their relationship with the KGB but to only give them the information that the SIS provided. The MP had no choice but to become a double agent, until orders finally came from the Prime Minister’s office to close the operation down.

The Army intelligence analyst felt that this had been done – with the resultant expulsion - as a public relations exercise to convince the British, whose Foreign Secretary Sir Geoffrey Howe was due to visit shortly, that New Zealand was not a hotbed of Socialist revolution.

The SIS officer involved in the operation allegedly resigned, cutting short another major investigation he was working on into Maori activists and arms smuggling – which was the point of my original discussion with the intelligence officer.

Indeed, confirmation of an SIS resignation involving the Budnik affair can be found in the April 28th 1987 issue of the *Christchurch Press*, in which Rick Stevens (NZPA) further repeated that the same agent had tried to recruit Auckland radio reporter Toni McRae.

This was significant, because the Army intelligence officer said his SIS contact had attempted to tell the true story through a friend of his, a female journalist. Les Gee provided further support for such an incident when in discussion he recalled a report citing an SIS officer from the Auckland office of Counter-Terrorism and Subversion (recalled as being called a Mr Peas, Pierce, or Pearson) having apparently made similar allegations.

Further, *The KGB* by Harry K Rositzke, a former CIA agent, talks of a New Zealand Cabinet Minister who was a KGB “agent of influence”. As *The KGB* was published in 1983, it cannot be referring to the incident that NZ Military Intelligence is aware of, which makes it all the more intriguing. Did the Soviets have a habit of compromising New Zealand Cabinet Ministers in order to gain access to cabinet papers.

For all we know, it may rank as the biggest security breach of its kind in New Zealand history.

For the record, I put the allegations to the MP I suspected had been targeted (my own evidence was only circumstantial) and they guffawed with laughter, shortly before threatening to sue – probably a reasonable response in the circumstances.

I then put the allegations to the Prime Minister at the time, David Lange. He said it was the first time he’d heard such allegations and he found the suggestion ‘bizarre’.

“What you have to remember is that a great deal of intelligence people and former intelligence people are mentally unstable on both sides of the divide or suffering from over active imaginations,” he boomed down the phone.

Which is the classic political tactic of attacking a source’s credibility without actually addressing the issue. After all, if the spies were all as mad as hatters why employ them, and why make them answerable only

to Prime Ministers who – as spy bosses – must presumably be chief nutter as well?

Leaving aside the issue of who wished to wear that particular hat, I then asked Lange the specific reason for Budnik’s expulsion.

“That’s common knowledge,” he barked, seemingly expecting me to retreat and let it die. But of course, I pressed for more. Like “Why?”

I pointed out that contemporary news coverage speculated on the SUP donation issue as being a factor, but the Government never actually confirmed this. Slightly less haughty, Lange answered.

“He [Budnik] was kicked out for conducting himself in a manner inconsistent with a representative of a foreign government.”

“Yeah, but what *exactly* was the specific reason?” I pressed.

“Well, the inside story was he was a runner for money,” replied Lange in a friendly, almost conspiratorial tone, as if letting me in on a massive secret.

Inside story? This man was the Prime Minister, for heaven’s sake. He was in charge of the Security Intelligence Nuthouse. And the best he can do for a poor writer is tell me “the inside story” that had earlier been peddled to the press gallery hacks?

There are still a number of unanswered questions, among them: if the SIS was serious about Budnik funding left-wing groups, why did the NZ Government not keep the secret hidden but monitored, so that Budnik’s activities could be watched by other agencies when he was assigned to his next overseas post?

The Budnik affair is perhaps one of the most interesting cases that I have ever had the pleasure to encounter. On one hand it would seem that the SIS agent was genuinely concerned that the expulsion of Budnik had also destroyed a major investigation into arms dealing and Maori activism, for the information that this agent had produced had led him to this conclusion. In light of what is known by this author there are genuine reasons to believe that such activities have occurred within this country.

The role of Russian and Chinese elements within these activities (weapons supplying) was, as CASPER is willing to concede, purely economic as opposed to political.

Former detective Tom Lewis, in *Coverups & Cop Outs* sheds further light on the integrity of the SIS information concerning these activities. Writing about one of the Diplomatic Protection Squad officers that he’d worked with, Lewis says

“Buddah was the unofficial SIS agent in Dunedin and was ‘forever sending off sit reps’ (Situation Reports) to the SIS and Police

headquarters alleging that Dunedin was a hot bed of communism and that the Ananda Marga (an interesting selection with an intelligence value of it's own) and the PLO were active in the city of Dunedin."

Lewis then wrote:

"Buddah was a master of the art of disinformation".

Buddah endeared himself to the SIS, an organisation which was under threat of staff cuts at the hands of Norman Kirk's government.

"When some headquarters personnel likened his detailed intelligence reports to Grimms fairytales, some strange things happened".

Just before Muldoon hit Otago, Buddah's home province, a mysterious phone call was received by the owner of a Dunedin gun shop (so the owner alleges). The caller, allegedly speaking with a foreign accent, stated "he wanted to buy six high powered rifles with telescopic sights".

Informed of the legal niceties of such a purchase, the (alleged) caller stated he was prepare to pay a kick back of \$5000 if the proprietor would sell them without a permit. The gun shop owner reported that he had naturally refused.

At this point someone with yet another alleged Indian accent telephoned the news editor at 4ZB radio station in Dunedin and stated Muldoon was to be killed. The result was that Buddah intelligence reports were vindicated.

"...naturally he (Buddah) denied it but I have always suspected him of being the caller".

Lewis also reports such tactics were not uncommon within the CIS (police intelligence) and such ploys were done "in collusion with high ranking officers".

The Budnik affair may have originated from a combination of self-service and to discredit the sovereign New Zealand government. Such a view increased with the discovery that the Budnik affair coincided with the sudden appearance of graffiti saying "Gaddaffi our leader", and the equally sudden rabbit out of the hat conjuring of the Aotearoa - Libya Solidarity Jamahirya. Its photograph-shy spokesman was Henare Aropa, who confessed to the media that his organisation was receiving assistance from the Soviet embassy. (*Dominion* April 22nd, 1987, *NZ Sunday Times* 3rd May 1987) The entire affair would conclude with the visit of Foreign Secretary Geoffrey Howe, (April 25 - 28) in New Zealand to alert the region to the intentions of the Soviet Union and Libya. Meanwhile the ALS had vanished as quickly as it had appeared. Of the ALS, *Wellington Confidential* (July 1987) reported "subsequent investigation by associates of *WPR* has shown that the spokesman was using a false name and that in the past he may have used as many as 14

other false names. He has joined, disrupted and been expelled from a range of leftist organisations. In fact the ALS comprised only Henare Aropa and one other named individual.

Wellington Confidential reports “when [Aropa’s] friends discovered it was him who had fed the first stories to the papers he claimed he had been misreported. The friends pressured him to phone the newspapers again and demanded that the story be corrected. Instead an even more scary story came out. The friends checked with the journalists involved, who had transcripts to show that Aropa had embroidered rather than corrected the original story.”

Now, there are two things you need to bear in mind here: firstly, as has been said by others, there is no such thing as a “coincidence” when it comes to intelligence matters. Things happen for a reason, however unpalatable that may be to talentless hacks on the media benches.

Secondly, given point one, there is always the risk of a “Wag The Dog” scenario where disinformation is deliberately spread to aid someone else’s agenda.

To truly weigh such risks, an examination of context is necessary. The person who goes actively seeking such information may find themselves being wound up like a clockwork mouse. The person who comes across information in the course of their work, in ordinary everyday situations, is less likely to have their chain jerked.

During this book I have benefited from both techniques, and the verification for me is that what I learnt “undercover” – for lack of a better word – has been largely corroborated during the journalistic exercise.

After coming away from my first interview with CASPER in December 1997, I was left with a nagging feeling that I’d landed a lot closer to the centre of the web than I had intended to do. I was under no illusions: CASPER was involved with people who would, for many and varied reasons, be displeased at the sort of material I was looking into. I also took what he said with a large grain of salt, believing that CASPER had attempted to slip me disinformation (or at least false information that he believed in). Then I checked his claims with others, and was stunned to discover the truth of them.

Yet I remained uncomfortable in trusting CASPER, given the interrogation and counter-interrogation games we’d sprung on each other during the interview. An example of this “Psy-War” is how after the interview ended he invited me to stay for tea, which I greedily accepted. Once I was seated, however, CASPER suddenly remembered he had to go out for a while.

Rudeness forbade me from leaving as well and for half an hour protocol ensured that I was stuck at CASPER's residence, a very convenient situation. Have you any idea what spooks can do in half an hour? Under these circumstances upon returning to my residence I undertook a tape transcript of my interview with CASPER and detailed a synopsis of my investigation to date. The tape was then stored in a safe location and a number of calls were made briefing individuals on my location, and the steps they were to undertake if I suddenly became invisible.

"You can call me 'Paranoid', son, but y'can't call me 'Stupid'," to paraphrase the beer commercial. Intelligence history is littered with the bodies of people who weren't paranoid enough.

During the calls to my network of contacts, I discovered phone was being intercepted. How did I know? Because attachment to the New Zealand Army's counter-intelligence division is where you learn to do exactly those same things, and how to detect surveillance. And yes, for the record, one of the signs of a bugged phone is the sudden appearance of repetitive clicking (although depending on the type of surveillance device used, this won't necessarily appear – other bugs have other footprints).

During my second interview with CASPER he confirmed I was under surveillance, and told me he could no longer help me. He said he'd been visited by New Zealand military officials who told him that under no circumstances whatsoever could he talk to me about matters concerning weapons consignments.

Adding to CASPER's woes, he said his son had been arrested by the Police, soon after the military visit, with the Police officers walking straight onto the plantation and straight to the location of booby traps whose existence they were aware of. His son was subsequently sentenced to six months prison. This is true, and a matter of public record.

CASPER then asserted that his youngest daughter had been injured in a hit and run, and although she survived she was lucky, as the vehicle had then backed over her. I have no confirmation of this story.

In the latter part of 1998, following my second approach to him, CASPER's son was killed on a stretch of railway track. Officially, the cause of death was being killed by a train after first passing out drunk on the railway tracks. This is despite the initial Coroner's report stating that

the death was inconsistent with injury caused by such a collision. CASPER is unaware that I made these inquiries.*

During the writing of this book I have had a number of incidents which go something like this, a white van pulls up outside my house and sits for some time. I go outside to investigate (something about where fools and angels fear to tread comes to mind), and the van takes off with a screech. I'm under surveillance, right? Maybe, then again the next door neighbour is a drug dealer. Draw your own conclusions. In saying that, the highlights of 1998 include:

- The mysterious death of the son of my key witness.
- My witnessing of a hit and run which just as easily could have been me (despite three calls to the Police, they did not show any interest in my role of a witness).
- The mysterious car crash of one of my prime contacts.
- An incident involving a red laser dot playing across me while drinking in a bar. (damned yuppies with laser pens!)
- My chance encounter in the same bar with the former wife of my original New Zealand - Bosnia arms source, the Indonesian officer.
- I would also at this bar be delivered information under mysterious circumstances surrounding a major New Zealand Business. Oh and to add to all that fun I would wake up one morning to the sounds of a gun battle being fought within twenty metres of my front door, between a skinhead high on the narcotic DMX and the NZ police

* It may seem that I have compromised CASPER's identity, however he indicated they already knew of our relationship following the first interview (in the second he stuck to the parameter of his orders), so if he's telling the truth it shouldn't matter. In this case name suppression was granted more on the grounds of privacy than protection. Further I felt at the time that CASPER pushed the envelope as to how far such indemnity extended, so in accord with our relationship I have pushed back. For CASPER's protection, I have assembled information and stored it in a safe place so that if anything happens to him or his family, it will be used.

(totally unconnected but you can probably understand in light of this my jumpiness at the time)

All of the bullet-pointed events took place within the months of August and September 1998, at the height of my interviews into New Zealand's role in the illegal arms industry, at a time when I was making calls to sources whom I had very good reason to believe were likely to be under SIS and/or 'UKUSA' surveillance at this time.

In September of 1998 I moved to Nelson for personal reasons, and effectively it may have looked like I had given up on this project, which may explain why no further incidents occurred IF in fact any/or all of these events were connected.

In my chance encounter with The Indonesian - Bosnian source, she again tentatively confirmed the story. Yet appeared to enjoy teasing me by providing the information in a manner that told me where to look while blowing up the bridges that would allow me to tie her down to the information. It was CASPER 101 all over again. On military matters, and as my questioning became more obvious, she became less willing to provide the data (subconsciously placing her sunglasses on) laughing "I don't know you, tell me your story, maybe - maybe not: which would you like me to say (laughter)".

Her face would then turn serious "when you met (blank and blank - two foreign military officers), don't be so direct (more laughter)", "why you ask these questions? Who are you?"

At which point I asked who she was, "I'm spy. Everybody thinks I'm spy (laughter)". She then asked "What do you think you can do? All governments do this, this is the way the world works so don't be so stupid okay?"

The rest of the evening was spent like this: shadowboxing as we each kept pouring each other large brandies and kept up our mutual questioning. The woman in question is a former Indonesian military officer, daughter to one of the chief advisers to the Minister of Defence, who had worked on arms deals for the Indonesian Trade Board.

In the morning as I left her house an Iroquois appeared, flying low and slow directly at the house, dropping low directly overhead before veering off in a steep U-turn away from the house. On the radio the lines of the song playing "I'm too scared to believe, Oh it's a mystery, I'm going down to Roswell."

My companion looked at the helicopter and then at me suspiciously "what are they doing?"

I shrugged, and started looking for my cigarettes – trying to be cool and nonchalant. It was all getting a little *X-Files* for my liking, and if Dana Scully had turned up in an Electricorp van I wouldn't have blinked. I might have taken a deeper drag on my cigarette however, and close Ben-watchers might have detected an almost imperceptible widening of the eyes.

In the end I accept both the seemingly fantastical possibility and that which is pure paranoia - the consequence of an over creative mind. All remains possible until disproven beyond reasonable doubt. Because events of the kind described by CASPER do happen, they are simply the lubrications that ensure that the machine runs smoothly without hindrance. It is the stuff which keeps the boys active even in New Zealand.

To recap: Project Democracy, an organisation with ties to New Zealand and Australian politicians. A plan which would see Chinese weapons routed through New Zealand to the Contra rebels. A plan closely associated to Ronald Reagan's former National Security Adviser Robert McFarlane – whose company was involved in the refit of RNZAF Skyhawks - and Bobby-Ray Inman, (while Adnan Khashoggi had at least one business link to New Zealand). A plan which was indirectly connected to the criminal institution BCCI which in turn had ties to a number of Pacific banks. The same BCCI which, in turn, linked to Project Democracy directly, had also operated actively in Fiji, the Cook Islands (and probably in Tonga), through agents who in turn were connected to New Zealand criminals and arms dealers.

The same plan in turn was using mercenaries whom were being recruited from New Zealand and which had used actively Southern Air Transport and Evergreen who both had ties to New Zealand - the former through Israeli gun runner Shimon Lahav and the latter through the RNZAF, likewise active within this period were a number of SAS types, specifically the Rhodesian SAS who in turn had strong links to both the New Zealand security services and to the mercenary industry (who also had strong links to New Zealand political scene.)

The connection between foreign intelligence activity and the criminal fraternity was discovered through Invercargill in the 1970's, Tiwai Point (which also had links to former SAS* types) the death of Paul White

* Before proceeding to the next stage, fairness demands that for all the flak I've given the Special Air Service/Security Force types in this book, I am equally aware of other operations these men and, sometimes, women have carried out that truly have benefited national security. I'm not knocking the good, I'm

(which also had links to former SAS types), the Mr Asia syndicate, the Maori loans affair and the collapse of RSL and a myriad of similar finance companies.

exposing the bad, and there is a distinction.

CHAPTER FIFTEEN A CLEAR AND PRESENT DANGER

Christchurch's Latimer Square epitomises the street level impact of all that we've discussed in this book.

At night time the square is just not a very nice place to be: winos and glueheads compete for park bench space, hoping that the night will be free of harassment from skinheads who pimp underage street kids as prostitutes, or the passing police patrols, that seem oblivious to the former who with their charges lean against the graffiti stained walls of the central city masonic hall.

At a respectful distance, transvestite working ladies wolf whistle and yell "hey cutie" causing you to blush regardless of how stoic one attempts to be. In nearby alleyways, marker pen X's can be located behind signs and out of eyeview positions suggesting that the place has been used to signal narcotic drops or other messages, while with stop-watch regularity the distinctive low grumbling of a large battered muscle car can be heard making the rounds on some mission of its own knowing. Down the road - a seedy bar, the haunt of fences, third story boys, alcoholic merchant sailors, and washed-up mercenaries still battling the ghosts of murderous stupidity in stupidly murderous wars both recent and long ago.

Against this back drop, late model executive-class Holdens, and cars with personalised number plates, cruise like shamefaced werewolves slowing down before Pauline with her Adams apple, or Sharleen (who has probably yet to sprout pubic hair), with equal likelihood. Such creatures as they revel in their deviance of cheap kicks, which provide them with a false sense of power or rebellion that they feel they need, will never consider how Pauline's humanity, even disguised as hardened cynicism, is superior to theirs, or consider the damage they add to Sharleen's already tattered psyche. To do so would be too frightening, too shameful, so at night they inflict their fears on those they consider weaker and in the day time they hide behind their respectable masks.

Yet in the daytime the forensic evidence remains, a few condoms, a syringe, and a left over wino or two whose sprawling sleeping bodies are conveniently ignored as the park takes on its daytime persona, a quite peaceful place, a pleasant view, a lunchtime escape, shared by the clerks of insurance brokers and respectable accountants whose offices litter this zone. The werewolves still lurk nearby but now they're hidden under the suits of establishment-approved citizens.

How do you reconcile such apparent opposites? One businessman affiliated to the Headhunters gang used to have solid financial ties to the brother of a National MP (not the same person who featured in the *Valkay* incident). In a suit one day, carrying a pistol and shooting people on another.

Exaggeration?

“The Headhunters gang is making millions out of its crime network,” reported the *Herald* on July 24, 1999, “and, according to the police, is now one of the most feared criminal organisations in the country.

“It allegedly protects and extends its interests through murders, disappearances and extortion, as well as dealing in and manufacturing drugs.

“The West Auckland motorcycle gang has become so powerful it is feared even by other serious criminal elements.”

A former undercover cop, Detective Sergeant Craig Turley, didn’t pull any punches either.

“The Headhunter Motorcycle Club is considered one of the most dangerous organised criminal operations in the country. It controls the West Auckland crime scene.”

Then, a master of understatement, Turley added:

“The murders, serious assaults and suspicious disappearances are also cause for considerable alarm.”

Yes, well, they would be.

“They are responsible for the manufacture, sale and distribution of Class A, B and C controlled substances, with deals taking place throughout the country.”

The *Herald*, bravely, decided not to put a reporter’s ‘byline’ on the front page story, but reports that an editorial meeting discussed putting the paper out under a blank banner as well and naming all of its reporters “Smith” are untrue – nothing more than scurrilous and malicious rumours.

Herald editor Gavin ‘Smith’ later had to apologise over the story however, not because the facts were wrong but because the paper had published a huge photo, accompanying the story, of alleged Headhunters boss David Smith (honest, he really is a Smith), except it was the wrong Smith.

How big is this organised crime syndicate? Fewer than 30 ‘patched’ members. Yet they’re sourcing drugs and weapons from international companies and dealers. How could that be? Why would respectable business people want to be married to the Mob? Because that’s how it is.

The Government of South Africa's ties to the Ecstasy trade were underlined a few years earlier when Wouter Basson, described as a 'super spy' in a BBC documentary, was arrested in South Africa on drug trafficking charges, the result of a sting operation leading to the seizure of US\$1 million worth of ecstasy from the back of his car. Where had Wouter got his supply from? According to *Nature* magazine, June 25, 1998, Wouter had pilfered from a stockpile manufactured by the South African security forces during the apartheid era for use as a biological weapon.

Wouter had, in fact, been in charge of a covert branch of the security force tasked with making and using weapons of genocide, and silent assassination methods.

The use of narcotics as a weapon is hardly new. English 'ravers' note that during the Falklands War, ecstasy prices went through the floor, "the streets were awash with the stuff!"

The relevance was made clear by another hoon of the era, "protest against the war? Are you fucking mad? We were too busy getting off our faces".

Religion may be the opiate of the masses, but what happens when opium becomes the religion of the consumer?

And how do we pierce the veil and get a handle on the companies who do business with the arms dealers and spies?

For a start, you and your friends can look through the list that follows, and you'll soon discover the respectable corporates you see on the news can have less than salubrious associations.

Take Ansett Airlines. Nothing wrong with the airline per se, but its owners in Australia until recently included the late Sir Peter Abeles, who set up TNT corporation.

Knighthood by the Queen, a pillar of the Australian business community. But when it comes to business, money speaks. Forget the image the media give, Abeles was a man prepared to dance with wolves. Keen to break into the US transport market, he went so far as to give Mafia figures associated with the Gambino and Genovese crime families a 20% stake in the US side of the business.

Take Larry Hillblom – the man who put the "H" in DHL Couriers and a friend of an Auckland man, or he was until his plane blew up in midair over the Marianas Islands. The Auckland and Hillblom were involved in a business deal that involved moneylaundering for Asian crime, and plans to establish a casino on remote Tinian island, inhabited by primitive villagers. Despite the fact that access was virtually limited to

Cessna aircraft, the crime syndicates were expecting the tent that housed their ‘casino’ to turn over \$600 million a year.

A friend in the CIA warned the Aucklander¹ to leave town and take his family, or he’d be dead in 24 hours. Hillblom and the Marianas’ Governor, on the other hand, stuck around. Both were on board the plane when it went down.

Giant accounting firm Price Waterhouse handled BCCI’s books, and BCCI’s dirty money also moved through Security Pacific Bank, which had a merchant banking presence in New Zealand.

Indonesian businessman James Riady, the head of Lippo Group, who recently came to New Zealand for talks with Prime Minister Jenny Shipley and a “red carpet welcome”, has been identified in a US Senate investigation as a Chinese spy closely involved with BCCI and making illegal campaign donations to President Clinton.

EIE Corporation, the big Japanese company that at one point owned half the buildings in Auckland and Brisbane, eagerly welcomed as a ‘foreign investor’, was a Yakuza moneylaundering front. To add insult to injury, while the New Zealand Government openly gives red carpet welcomes to international criminals waving cash to invest, we’ve become an international laughing stock.

“At the beginning of the 1970’s,” reports Jeffrey Robinson in his bestselling book *The Laundrymen*, “the Yakuza discovered that stockbroking was a terrific way to launder money so, with the help of Malaysian Chinese gangs, they opened brokerages in Malaysia and Singapore.

“As their business grew, they moved quickly into Hong Kong, Australia, New Zealand, Indonesia and the Philippines. Cash is funneled in one end, shares in legitimate companies that pay legitimate dividends come out the other.

“Most of the time they launder their money by sticking to tried and true methods. For example they wash hundreds of millions of dollars annually through Tokyo real estate, buying and selling the same buildings to themselves.”

New Zealand gets another honorable mention in dispatches when, further in the book, Robinson reveals:

“A top-secret evaluation by a combined task force of Australian law enforcement agencies – including the National Crime Authority, the Federal Police, Customs and various state police forces – divulged that

¹ The Aucklander wasn’t aware, until late in the piece, that the clients were Yakuza.

85-90% of all the heroin coming into the country was owned by Chinese groups directly linked to organised crime in Hong Kong and China.

“These gangs were additionally associated with groups operating out of Vietnam, the Lebanon, Italy, Turkey, Rumania and New Zealand, and with a network of motorcycle gangs in Australia, which they use as the backbone of their marketing operation.”

A la the Headhunters and Hells Angels.

So entrenched is the Yakuza in top-rung Japanese business that 2000 leading corporations decided the best way to snub the Yakuza would be if all the companies held their AGMs at the same time on the same day.

So next time you see the ACT party’s business tabloid, the *National Business Review*, trumpeting wonderful news about Asian investment in New Zealand, spare a thought about where the money is perhaps coming from.

Other corporations with criminal ties that show up in New Zealand include Union Bank of Switzerland, UBS, and Swiss Banking Corporation SBC. UBS, apart from sponsoring yachts in the Fay Richwhite style, was also a part owner of drug-bank BCCI’s European subsidiary, and was used by the CIA to help arrange the fake Arab loans that brought down Gough Whitlam’s Australian Government in 1975.

Swiss Bank was likewise involved in facilitating BCCI money-laundering transactions.

Credit Suisse, of CS First Boston fame, is used by the world’s biggest drug dealers, and Hong Kong Shanghai and Barclays Bank are similarly used – one Barclays branch in the UK hired extra tellers to cope with all the dirty money one customer was depositing.

New Zealand’s own NZI Bank used to own the mysterious Deak & Co bullion dealers, who were used by the CIA over many years and were, whilst in New Zealand control, being investigated for drug moneylaundering by US authorities.

And let’s face it, arms and drug dealing are the biggest industries in the world, yet they’re the ones you hear the least about in the media. Do you really think they’re being done by corner dairy-type outfits? The reality is that they involve some of the biggest companies and financiers on the planet.

As WASHINGTON says:

“Where do you think the huge multinational companies get the money to expand into places like China or the Middle East? They get it from the CIA, in return for providing assistance. It’s a quid pro quo thing.

“There’s this veneer of respectability that attaches to some of these corporations by virtue of sycophantic coverage by business journalists and the romance of Wall St, but it’s all just a game.

“American Express got hit with a \$50 *million* fine for helping drug cartels launder cocaine money out of Mexico – one of the biggest fines ever imposed anywhere in the world – did you see that on the front page or the TV news?”

Another US diplomat, now based in Europe, chewed the fat with journalist Ian Wishart on a similar issue:

“Sixty percent of what goes on in this world is stuff the public is never supposed to find out about, because if they did there would be mass civil unrest.”

So why don’t the corporate media tell you about the hidden sixty percent of world affairs?

In New Zealand’s case it is because we are part of this international game. An integral part. Take our mushrooming commercial and defence relationship with China. In 1998 the NZ Embassy in Beijing published its September/October edition of *Sinofile*, containing a story entitled ‘Defence Contracts Expand’.

It detailed how Max Bradford, the current Minister in charge of overseeing the APEC meeting, had visited China, acting then as the Minister of Defence. With him was Lt. General Larry Birks, and their mission was to discuss joint defence contracts. Which though surprising was again hardly new with SM Andrews own brochures advertising the that the new lords of Hong Kong had been established clients during the 80’s, during the Bush-Reagan years.

Bradford’s visit was reciprocated by a visit by no less than perhaps the second most powerful military figure in the world (some consider it the most powerful) the Chinese Minister for Defence Fu Qian You & General Chi-Haotian. During the Bradford visit to China his itinerary included visits and discussion with senior fleet and garrison commanders of the Chinese military, presumably in connection to the visits China would later receive from a detachment of RNZAF personnel and then a group from the Royal New Zealand Navy.

Also presumably, the purpose of such visits were training related, or perhaps just a frank discussion of minds between NZ and a resource hungry nation whose naval factories threaten regional stability - having become active 24 hours a day in the last five years.

This coincides with increased tension in India-Pakistan, Melanesia, the Spratley Islands region, and a generally thriving arms race within Eurasia, and through out South East Asia.

The question begs to be asked: ‘what training, and what was its purpose?’

Perhaps the frank conversation went something like this;

Bradford: New Zealand and China have much in common. We too have many problems and, like your country, we are trying to find brave new solutions.

Quang You: Really? What problems do you speak of, Minister?

Bradford: Education, for example.

Quang: Ah, but Minister - we found a way to deal with this trouble.

Bradford: Really? Please tell me more, my most excellent host.

Quang You: Two words, Honourable Minister: Tianenman Square.

Bradford: Yes, to be frank Quang we thought of that, but we don't believe we can afford the consequences.

Quang You: But Minister - this need not be! Do what we do and just charge their families for the cost of the bullets used, afterwards.

Bradford: Ah, user pays. Of course, it's so obvious.

Quang: No Minister, the user doesn't pay - the people do.

Bradford: Minister, I think this is going to be the start of a beautiful friendship.

Quang: Yes, Minister.

(scene closes with the two holding hands as they wander off into the sunset to the tune of Madam Butterfly).

The Chinese students may protest at the American bombing of Yugoslavia, but they still keep buying Nike. The symbiotic and hypocritical relationship of the West dealing in weapons with communist China is hardly a surprise or even new. An example demonstrating this point turned up in a curious little (unattributed) article published in the *National Business Review* in 1991, titled *Bush &*

Advisers Act Like Chinese Monkeys. The article stated “seven years ago, a US intelligence official, suspicious of the Chinese, decided to track a shipment of missiles from a Chinese production point - he had a hunch that they were going somewhere they shouldn’t be”.

The agent was right: over the course of the next seven years he discovered the missiles detoured through Israel (which has its own cosy relations with Chinese arms dealers) winding up in Iran.

Faced with this news President Bush did what? Nothing, “following his old pattern when it comes to the Chinese - hear no evil, see no evil, speak no evil”, just settle down and order Panda fillets cooked over a nice Brazilian rain forest, washed down with a glass of toxic gunk: it’s got to be good for you.

Trade opportunities aside, why should Chinese arms sales be interfered with, especially when in the past they had proved useful? During the Contra years China had provided the Contra’s with AK-style weapons to fight the Commies in Latin America. Indeed, according to *Peace Link* in 1991 such small arms had been purchased on behalf of the Contras by Pentecostal church member and gun dealer David Tipple, whose shop Gun City hit the headlines again recently when Tipple was charged (at the time of writing) on twenty-three separate accounts relating to abuses of the Sale of Firearms Act, resulting in his current license to sell weapons being revoked.

The paper trail had already shown the involvement of NZ multinationals in the arms industry, so when Bradford - on a defence ministry junket - visited Lion Nathan’s factory in China the question naturally arose as to whether this was an issue related to genuine national security or whether the motives lay more in line with corporate greed.

And what of the growing evidence that extremist Maori groups and also white supremacist gangs are stockpiling enough firepower to give the New Zealand Army some serious competition? There are undoubtedly some who still don’t believe this, despite the fact that numerous individuals, not connected to each other, are all providing similar intelligence about the buildup of weapons.

This kind of response, whilst perhaps understandable in a country like New Zealand, is nevertheless akin to refusing to believe radar signals about an incoming nuclear missile “until I see it with my own eyes”. At which point it is a little too late to do anything.

The whole point of having state intelligence agencies (or missile detection systems) is to obtain “early warning” of trouble. The facts are that the intelligence agencies are getting the same message that you are

getting through this book, but nothing is being done about it, possibly because it is already too late. These weapons have reportedly been coming in since the mid-1980s and have been stockpiled in secret caches around the country. To move against only a few may invite the extremists guarding the others to retaliate with a resulting bloodbath.

One can only hope that our intelligence agencies are successfully infiltrating the groups responsible.

As I sit typing this, in front of me there are approximately 300 company office files slips.* Each slip represents a complete file, citing date of incorporation, directing officers, and other pertinent information detailing the financial guts of the companies in question. If I was to operate from the complete files I would be facing a set of papers of approximately 10 cubic metres.

I have, however, steered clear of explaining the specific financial transactions of these business for one simple reason. I don't have the financial know how to do this, 15 years of perpetual debt and one bankruptcy is proof of that.

Often the firms in question operated through specific lawyers or accountancy firms, who keep reappearing in my search like a bad case of herpes. From the layman's point of view it would be easy to assume subsequently that these firms therefore have some direct involvement in the dealings in questions. In some cases this indeed is a correct assumption. Yet while association presents a reasonable picture of environment, one must take care to point out that the firms cited here are often dealing with huge client listings and it is quite feasible that their own staff may be unaware of the exact nature of their clients' enterprises. In some cases their role was limited to simply the placing of a signature.

That is to say the middlemen cannot be directly blamed (if blame was to be attributed) as they are simply a bureaucratic link, a formality, and having carried out basic service that in effect often amounts to an

* Those who do specialise in forensic journalism will be disturbed to learn that the truth about business dealings surrounding the Winebox, or indeed the companies in my own investigation, may now never come out: *The Christchurch Press* reported on April 3, 1999 that "A fire in a city storage facility has destroyed hundreds of files on failed and obsolete companies. The records were due to be relocated to Wellington this week..."

The Companies Office confirmed the fire was arson. A similar fire destroyed key company files in the Cook Islands just as journalists began investigating the Winebox.

expensive, but nevertheless non-brain-using form of paper shuffling, their interest in the client and the client's business, cease to exist.

Some might view such practices as demonstrative of a certain callousness, perhaps even a lack of moral ethics, or maybe a self-inflicted naivety, but under the laws of this country that's not a crime.

I state this point for it is not the purpose of this book to lead the reader into the mistake of believing that someone is being accused of wrong doing.

The paper trail we are following continues to throw up intriguing leads, nonetheless.

In 1988 McDonnell Douglas, the US defence giant, took full page ads out in NZ newspapers stating that they were pushing for their information systems to be sold to NZ hospitals, while at the same time *Wellington Confidential* reported that the company was also pushing their information systems in NZ to Maori trusts and the Pacific Islands (originating with Tonga). This would have been harmless enough had not their senior representative for this task been none other than Rocky Cribb (John Victor Evans' business associate) famed for his role in the Maori loans affair. *WC* added that Cribb had not only been in Japan meeting with McDonnell Douglas but that the deal had not gone through when the SIS, or David Lange, informed McDonnell Douglas not to employ Cribb and to keep their information systems the hell out of NZ.

On the latter, this cannot be established. Yet Cribb had certainly been in Japan where he was under surveillance by NZ embassy staff, as Lange himself admitted to Parliament in 1987.

During this time Japan itself was sucked into an investigation by the US Justice Department into McDonnell Douglas, in what *Wellington's Evening Post* (22nd June 1988) described as the "largest crack down on weapons procurement fraud in Pentagon history".

Yet McDonnell Douglas was not alone. In 1987 *WC* had received a list of companies operating within NZ said to be close to the CIA. Amongst this list was Control Data Corp (CDC). *WC* found that the firm, originally stationed at 53 Boulcott St (next door to 49) had first been gobbled up by National Advance Systems - only to reappear via Australian based firm Control Data FIS, where its work was confined to the "forex exchange".

My own search would alternatively have CDC located at both 57 Willis St in the same building as the National Party Headquarters, as Control Data New Zealand Pty Ltd C/o Gilfillan Morris & Co and at 156 Willis St, across the road from the Labour Party Headquarters.

Kwitny, in *Crimes of Patriots* reported that CDC had hired ex-CIA (Nugan Hand affiliate) Edwin Wilson as a top-level consultant. Wilson's brought in Admiral Bobby Inman, the former boss of the NSA (who in fact first heard of his appointment while in NZ – *Veil*, Woodward) the technological spying arm of American Intelligence.

Inman's boss was Paul Cyr a former US Energy Department Official later charged with taking bribes from Wilson during Wilson's time at Control Data.

Inman was joined by Nixon's former Defence Secretary Melvin Laird, US Panama invasion force leader General Max Thurman (retired), Robert Gates - yet another former head of the NSA, and another former Secretary of Defence William Perry (who also manages the facility known as Area 51, for yet another private firm), plus John Deutch former Science Department adviser and former CIA boss.

In addition, you'll find this nest of spooks firmly roosting in SAIC Ltd - Scientific Application International Corporation San Diego USA. SAIC was no less dodgy than CDC. As of 10 February 1995, SAIC was under 10 felony charges for fraud relating to the management of a super fund established for the purposes of cleaning up a toxic site.

SAIC also faced civil legal suits in regards to its breach of terms in relation to F-15 fighter contracts. But the real significance of SAIC to most readers will be its ownership of Network Solutions Inc, the company in charge of assigning Internet domain names like <http://www.howlingatthemoon.com>.

Given the huge number of people using the Internet, SAIC potentially could locate many of those users thanks to its enormous database. What an intelligence agent's dream.

SAIC contracts included the re-engineering of an information system at the Pentagon, the creation of a fingerprint identification system, and the design and creation of a national criminal history data base, as Stephen Pizzo, the co-author of *Inside Job: the looting of America's Savings and Loans* reports.

It's believed that this consortium, or elements of it, were also involved in the creation of FINCEN - the Financial Crimes Enforcement Network - a data bank of 92 computer databases hooked together on a national system which, in combination can provide the pin number, nearest neighbour, their spouse, social security number, vehicle identification number, military tag number, the 615 (whatever that is), credit history, utility records, travel history and tax records of the subject under investigation.

In effect FINCEN is an updated version of British Intelligence Joint Computer Bureau's database. The BIJCB is said to have the capacity to hold the records on over twenty million people. Yet even the British computer and FINCEN pale in comparison to the abilities of PROMIS.

PROMIS was created during the 1970's by communications expert William Hamilton, then in the employment of the NSA. The Israeli agent Ari Ben-Menashe wrote in his book "the program he (Hamilton) was developing would have the ability to track the movement of vast numbers of people around the world. Dissidents or citizens who needed to be kept under watch would be hard put to move freely again without big brother keeping an eye on their activities".

In 1981, having left the NSA, Hamilton established the Inslaw Corporation to further fine-tune his invention. After perfecting the PROMIS software, he offered to sell it the US Justice Department. The Justice Department expressed an interest and passed a copy on to the NSA for further study. Shortly afterwards the Justice Department told Hamilton "the NSA think it's a lemon," and cancelled the contract – refusing to pay for software already installed in almost 50 offices across America. With massive installation bills and no income, Inslaw went bankrupt. And there the matter would have ended had Hamilton not discovered that the NSA had enhanced PROMIS and were using it extensively.

At which point the proverbial hit the fan. In the subsequent legal action, a congressional inquiry - *The Investigative Report by the Committee on the Judiciary, Together With Dissenting & Separate Dissenting Views (10th of September 1992)* "largely supported" the findings of two federal courts that the US Justice Department "took, converted, stole" the Inslaw enhanced PROMIS by "trickery, fraud & deceit" and that the misappropriation involved officials at the "highest" levels of the Department of Justice (and the NSA). The report continues "several individuals have stated under oath" that the enhanced version of PROMIS was stolen and "distributed internationally".

Les Coleman asserts that PROMIS was passed to the Israeli Mossad via corrupt officials within the US Justice Department's Drug Enforcement Agency, the DEA, in order to provide financial gain to Dr Earl Brian".

Brian was a former psychologist involved in the CIA's MKULTRA brain washing/interrogation experiments.

On August 10, 1991, journalist Danny Casolaro was found dead with both wrists slashed in the bathtub of a West Virginia hotel during his own investigation into the PROMIS scandal. Two months earlier

Casolaro was to have met with yet another PROMIS investigator - Washington D.C. lawyer Paul Wilcher - but Wilcher failed to turn up having been murdered in his apartment the night before.

Both investigators believed that the NSA version of PROMIS had been connected to a series of scandals including Whitewater, the Mena airport drug conspiracy (where Barry Seal, prior to his murder, alleged he had flown guns and drugs on behalf of the CIA), the BCCI bank collapse, the Iran/Contra affair, and the 'October Surprise', where Reagan had made a deal with Iran not to release the hostages until after his election inauguration.

Both investigators had expressed that they were on the edge of uncovering courtroom-quality proof to support their theory that PROMIS was being utilised by a consortium of corrupt government officials and former US intelligence officials, and criminal super heavies, to pursue their own bent agenda.

Their attraction to PROMIS was based on the software's unique abilities which made it a highly sought after intelligence asset.

Specifically, PROMIS' chief weapon was its 'trapdoor' programming, that provided it not only with the ability to mate with systems that were not normally compatible, but any other system linked to the original computer where PROMIS had been installed. The domino effect, in essence.

The trapdoor came into action once PROMIS had linked up to all the relevant host-Government's computers. The designers built in a secret access code known only to the CIA and the Mossad, and not to the end users of the product. With PROMIS, any system to which PROMIS was linked could be accessed by the PROMIS trapdoor.

As Gordon Thomas writes in *Gideon's Spies*, "a spectacular success came when an Intifada commander who had moved to Rome called a Beirut number that Mossad's computers already had listed as the home of a known bomb maker.

"The Rome caller wanted to meet the bomb maker in Athens. Mossad used PROMIS to check all the travel offices in Rome and Beirut for the travel arrangements of both men. In Beirut, further checks revealed the bomber had ordered the local utility companies to suspend supplies to his home. A further search by PROMIS of the local PLO computers also showed the bomber had switched flights at the last moment.

"It did not save him. He was killed by a car bomb on the way to Beirut airport. Shortly afterward, in Rome, the Intifada commander was killed in a hit and run accident."

Except if you believe it was an ‘accident’ then you’re either a New Zealand journalist or a coincidence theorist par excellence.

From this vantage point PROMIS’ true masters could manipulate, alter, crash, or insert any other destructive program or virus, or in the case where PROMIS been sold to, say, a bank: steal funds. The system could also download information on any individual held within the host-Government’s or corporation’s computers. If PROMIS were installed within database giant EDS corporation, for example, intelligence agents could dig up banking, tax or other information on any individual whose file was administered from there.

How widely had PROMIS been distributed?

Ben-Menashe says “it would be a distinction not to have brought our system, it would have put you in a small group of countries”. Menashe cited some 88 countries as unwitting purchasers of PROMIS, and a host of organisations including the World Bank. The CIA went so far as to admit that the sale of PROMIS to the World Bank had been an act of espionage. Its excuse was that it wanted PROMIS to act as an early warning system for America in the event of the collapse of the Latin American banks.

The vilest thing about PROMIS is that it could be used as an early warning system, a genuine asset for national security. Yet just as easily PROMIS could be used to bring about the actual collapse of a nation’s economy. You take out the economy, you take out the infrastructure. You take out the infrastructure, you take out the country. Just as easily as if you had nuked it.

Bugger ‘ban the bomb’ Daddy, it’s Starwars time. Put down your genetically-altered soy milk, and the silly crystals you buy from the silly shops that buy from silly people who mine the earth in a silly way with bulldozers and dynamite, and get with the plan, baby, because the nukes have been demoted to the rank of tactical weapons, and now the front line weapon is information. If you have to kill, you’ve already lost the war, or you’re simply mopping up. He who controls information, controls all - engarde’.

In 1991, the same year that Casolaro met his death, *Peace Researcher* magazine reported that the US Defence Department, the parent of the NSA, had agreed to bankroll a computer link up of the Customs departments in 21 countries by 1994. The Pentagon had previously paid for the link up between Wellington, Canberra, and Honolulu, in a program titled Project COOK. Exactly like Hamilton’s version of PROMIS, the program was designed to target the movements of vessels, planes and individuals suspected of drug trafficking and other illicit

activities. Countries added to the link included Guam, PNG, Western Samoa, and Tonga.

In light of its anti-criminal purposes it is therefore a little strange that the funding for this project should come from the corridors of the Pentagon, and not the halls of the US Justice Department. COOK, like its replacement, was the subject of endless complaints within NZ Customs as the system endlessly crashed, or proved slowed in its taskings. One Customs source went so far as to state “if you ask me it’s a big bloody lemon, it wouldn’t surprise me if the whole system had been compromised from the start”.

On another occasion I asked another Customs source if anyone had actually run a background check on the firms involved in the sale, installation and maintenance of the system.

“Ah (pause) no. Not that I’m aware,” replied the voice on the end of the phone, in a tone that dripped with the sound of a someone who had just been faced with a startling idea that until now they had never considered.

COOK, CDC, and the McDonnell Douglas Information Technology systems, with their US Intelligence/Defence links all represent opportunities or means by which PROMIS could have been introduced by stealth, as part of a bigger system. The same could apply to any number of major government computer systems.

NZ ELINT (Electronic Intelligence) could have been compromised in its entirety had an arm of the US intelligence community chosen to have done so.

However, following on from this, at a time when KK Mountains was resulting in Israel taking over much of the covert operational side of US intelligence operations, Israeli president Chaim Hertzog was touring the Pacific.

Richard Deacon, in his book *The Israeli Secret Service* (1977 Sphere Books) provides a brief biography: “one of the key figures in French Israeli cooperation has been Brigadier General Hertzog”. Hertzog’s VIP status within the intelligence world began with his appointment as military attache to Washington DC in 1950, followed by a stint as director of military intelligence in 1959.

Hertzog further built up his US-Israeli relations via his collaboration with Admiral Vasey’s Task Force 157 (Wilson, Secord, and Terpil), where the two elements had helped to train the Shah of Iran’s notorious secret police, the SAVAK (the majority of whom remained in employment as thugs of the state following the Ayatollah’s rise to power). Prior to his appointment as Israel’s representative at the UN,

Hertzog is recorded as working with the US Navy on computerised intelligence warfare.

In 1995 the issue of Israel's interest in information technology would be brought to my attention when the exclusive Millbrook resort in Queenstown played host to several Israeli delegations that year, including a visit by the Israeli ambassador to NZ, Gil Kaynan.

A basic background check revealed the ambassador was, in fact, a specialist in information technology.¹

These visits also coincided, within a short time, with the visit of the then Secretary-General of the United Nations, Boutros-Boutros Ghali to Queenstown's Millbrook resort as well. Ghali's stance against American policy in Africa was stirring up US opposition to his bid for a second term as Secretary-General. Ghali put up a good fight against his detractors, but the final straw came when he chose to lock horns with Israel over the shelling of the Fijian Battalion at a refugee camp in Lebanon the same year. This attack led the Hamas (who had in fact been originally sponsored by Mossad in 1985) to break the terms of the ceasefire, leading to the return of suicide bombing within Israel.

During this period one of these Israeli delegations, consisting of around 40 business executives involved in the insurance and real estate industries, held a conference at the SkyLine Restaurant. The conference itself was held upstairs, in the same room used by the National Party during their conference that year.

However during the conference the leading delegate came down to the bar where I happened to be working at the time (and they said my B.A. would never prove useful). At this point he was met by two Queenstown locals - one of whom had been in the New Zealand Infantry, and the other whose background lay with Commonwealth Special Forces prior to a career with the NZSIS, having arrived in town around the same time as another former member of the NZSIS took up residency in Queenstown.

To demonstrate the relationships between Sub Rosa members, this resident owned a hotel in Central Otago, that was then sold to a former member of the NZ military with US intelligence & oil corporation connections, prior to it being run by a former member of the NZ Police Armed Offenders Squad with a penchant for rabbit hunting with an AK-47.

The Israeli delegate mentioned above addressed the senior of the two.

¹ *Dominion*, 10 February, 1995

“You want anything, anything at all, I don’t care what time you ring, just let me know”.

Maybe it was nothing. Maybe the two Queenstown soldiers were looking to buy land in Tel Aviv and an insurance policy to boot. The journalist in me says comments like that should not be taken out of context. The defence intelligence analyst in me reminds me that embassies have been bombed on flimsier field data.

It’s amazing where spooks pop up. Take the following letter to Ian Wishart.

“Dear Ian,

“Thanks for your two books, I have read *Paradise Conspiracy* pts 1 & 2, *Lawyers Guns & Money* next, they would be sad if it were not so true. I have also read *Dirty Collars* and frankly found it the story of a once straight cop who had been bent by the system and was attempting to cover his tracks!

“I also consider that you did this country a great service driving Fay Richwhite offshore! I find it somewhat ironic that they arose from the ashes of proven ripoffs like Securitibank which Mr Sturt investigated.

“But the reason for writing, up until now I was unsure of your address and it supports some of your contentions in *Paradise Conspiracy*. I will tell the story with minimal personal asides.

“For me it starts late 80’s or very early 90’s I worked at Massey University in the Works & Services Dept. The Culture was (very) ex military. My immediate superior was ex Royal Navy CPO. Our Head of Department was a Lieutenant Colonel (Retd) there were several other Majors and similar dotted around campus as well. (As an aside Wing Commander Sharpe of Ohakea base commander’s house fame now works at Massey!) Works & Services became a sort of “club” probably because of, in common with most maintenance sections, its isolated nature.

“We were in a time of severe restrictions on spending, absolutely no new staff especially non-academic.

“Into this time of austerity we were instructed to build a new office and store room into a larger store room in one of the buildings in the maintenance complex. No explanation was given. The rooms were unusual, the “store room” lost its existing window and had 19mm chip board walls both sides. That is very secure. The office retained its window, standard lighting, again 19mm Chip Board exterior lining (Secure) and got a computer connection to the Massey Main Frame. At

this time it was very unusual. We were told it was for “future development”.

“I, as Electrical Engineer, had been refused a connection to the Mainframe as unwarranted! I was also told (ordered) by my superior (the ex RN CPO) not to question decisions of my superiors!

“The job finished, no comment.

“Keys for all doors were handled at the time by a 55+ year old. The Social Club suddenly commenced organising a retirement function for this person. He did say privately that he had been asked to retire and had received a generous retirement package. He did not divulge the size but said he would not have to worry about income until he was eligible for national super.

“As he left, all keys were transferred to the new office and store room, An existing staff member had key control added to his schedule of duties, and a computer appeared, (miracle of miracles, again, at this time!) It was connected to the main frame where obviously someone had been beavering away for sometime making a database of all doors on Massey.

“A significant amount of this work would have been done using student labour so it is not really part of the story. There is no doubt the new system was vastly superior.

“The plot thickens in the old keys office. It was located adjacent to our Lieutenant Colonel. As soon as it was vacant it was refurbished, new carpet, new paintwork, high quality curtains, solar tint on the windows. (You know, the stuff that stops people seeing in.)

“And our Mystery Man arrives. He was never properly introduced, He was known as Mike. We believe his name was Michael Flattery, but he was sometimes Michael Donohue or the two hyphenated.

“Officially his rank was WO2 but he certainly was well received in the “Officers Club” that our common room had become. (Even our CPO was not welcome) To make the plot thicker and deeper there were two incidents:

“Cellphones were uncommon in 1990 (or was it 1989). We had a scanner in our electronics workshop, sticky beaking on cellphone traffic. Some of the University “Ladies” were paying their way through in a time honoured fashion. We got a good laugh out of the calls booking their services. It became known that we were up to this, and I was suddenly summoned to my superior's office (the ex RN CPO) the door was shut and I was ordered to get the scanner off campus within 24 hours without passing any buck higher, i.e. I felt it was a time waster or

similar. I would be supported but was not to reveal who had ordered it, nor was I to question! It was removed grudgingly.

“We discovered a few weeks later Mike had a cellphone. At this time we could not even get one to assist us with after hours on call maintenance!

“As the Gulf War became apparent our Common Room was done up. A new TV appeared (the latest brand new) plus a larger fridge appropriately stocked with “gifts” from our “tame” contractors. It was a meeting place during the war of our retired officers club. I walked in one day to get a coffee (perfectly legitimately) to hear a comment like “well if he (didn’t catch the name) is there, then our boys are walking down the main street of Baghdad now.”

“Then Mike said “They reckoned a Maori done up in Arab togs could pass as an Arab”. I was noticed and the conversation halted. It was the abrupt stop that made me remember it. The following day we (the non military ones) received a memo asking us to use the trades smoko room if the main smoko room had its door shut for a conference. (No problem the company was better!)

“The last of these and where it all ties together occurred at the end of 1992. I was going to Rarotonga for an extended period (4 Months). Mike shared he had been there on several assignments and stayed at the Rarotongan Hotel (Owned by the Government at that time).

“When I came back I sat down at smoko beside Mike and said “Oh by the way [name deleted] sends her regards.”

Mike jumped and asked how I knew her.

“Oh she’s a cousin, we stayed with her and her husband. In fact half the Rarotongan hotel are whanau. It was like a second home to us.”

“As I left, Mike pulled me into his office and shuts the door and says something to the effect that I was to forget anything I had heard in Rarotonga about him.

“The following day I was pulled into the Lieutenant Colonel’s office and left in little doubt as to what would happen to me if any of what I had heard about Mike in Rarotonga came out. My job and Police action were mentioned.

“Pretty heavy eh? – I’ve left the best bit for last. The cousin worked closely with Tom Davis during his term as PM.

Regards”

As readers will be aware, we explored Tom Davis’ links to spookdom earlier in this book, and Wishart covers it extensively in *The Paradise*

Conspiracy. The bigger question for journalists at this moment might be: who was the Army spying on at Massey University, and on whose authority did they infiltrate the educational institution?

Around this time Middle East security was again an issue on the home front, when the Israeli security for a visiting team of bowlers had been reportedly sighted with Uzi submachine guns, in contravention of NZ laws at that time.

The relationship between Israel, New Zealand, and information technology was again demonstrated in 1998 when the Prime Minister of Israel, Benjamin Netanyahu, was to have visited NZ with his Minister of Telecommunication in August (if the meeting did take place then it happened very quietly, but in view of the army of top level VIPs entering NZ that year it wouldn't have surprised me).

Another low-key visitor to Millbrook was the Prime Minister of Russia, only three days after Boris Yeltsin had sacked the entire Russian Parliament. The Prime Minister had chosen this moment of crisis to go on holiday in NZ. The NZ government supported this story, saying that aside from some informal meetings in Rotorua with NZ government officials, there was nothing significant about the visit.

I'm not sure which is more incredible: the story, or the fact that the NZ media bought it.

1998 in fact marked an exceptionally high number of visits by VIP's (most of which got scant media attention) including visits by the President of Ireland, the US Secretary of State Madeleine Albright, the Prime Ministers of Chile and Peru and, as stated, the visit from China's minister of defence. There is reason to believe that this list is far from complete.

The significance of the Israeli visit is that it coincided with the end of Israel's state-owned Bezeq monopoly on telecommunication, which opened the industry to outside investors with both NZ and Australian Telecom having expressed an interest in investigating the possibilities.

A pattern of privatisation within this industry was happening throughout the Middle East at this time, within the states of Lebanon, Egypt, Jordan (whose sale had been financed by the World Bank), Saudi Arabia, and Kuwait, all at different scales and stages, providing an opportunity for both NZ corporations and technologically savvy intelligence operators.

Intelligence in the new millennium is all about email, telephones and faxes.

The Cold War was a joke, Nicky Hager stated during my interview with him on the Waihopai facility.

“It was never about the Cold War, it was about maintaining control. What has happened is all the systems I have written about (such as DICTIONARY, ECHELON, see his book *Secret Power*) are targeted on the world’s civilian communication. These systems are aimed at every country in the world: their governments, their business, their people. It’s not about fighting any one, it’s - to repeat myself - about maintaining control into the 21st Century.

“To put it simply, countries like Australia or America, use more resources than many countries with populations far greater than these industrial nations. Knowing secrets is more important than military strength. It preserves the Western way of life”.

Despite the NZ government having financed, and having built, Waihopai, the manner in which it is controlled means that the facility has been used, to quote Hager, to “ransack the communication of the Prime Minister’s office, the government departments, the Opposition and basically anyone within the Pacific who anyone could be interested in”.

What had New Zealand gotten out of deal? Nothing. Waihopai had failed to warn NZ of the Fijian coup, Waihopai had failed to warn us of the Rainbow Warrior. Indeed, in both cases there may have been ulterior motives as to why we were not warned, as discussed in previous chapters, despite the assertions of Jim Rolfe - a defence and security analyst at Victoria University (whose military and intelligence background were omitted from the press biography of the man during his critique of Hager’s *Secret Power*, (*The Press*, August 21, 1996).¹

Hager says Rolfe is a Royal New Zealand Army veteran.

Indeed there had certainly been traffic between Fiji and London on the day according to one source I spoke to, a gentleman with relatives in the Fijian diplomatic service. During our conversation he told me “One of Rabuka’s soldiers was on the other end. He told [name deleted] don’t do anything silly. I know what you had for breakfast, I know the colour of the dress your wife is wearing today, and which way your daughter goes to school.”

Which just goes to show, why shoot someone when terror is much more effective.

The same source dismissed the US mercenary scenario, alleging that the men of honour were all Fijians who had recieved training for the exercise from a senior NZ NCO.

¹ One of the directors of *The Press*, Humphrey Rolleston Davy, has been associated with arms dealers and security firms.

I neither believe nor disbelieve this source. Yet he does provide one point of analysis that I had not considered previously as to why the men of honour were not named. Fiji's warrior culture has a history of blood feuds and if the men had been named they would have remained in danger as long as they lived.

Another Fijian source with relatives at the *Fiji Sun* asserts that "American military installations in Australia were receiving telexes of radio and telephone communication before and after the coup."

Additionally, if Hager's book was 'speculative' as alleged by Rolfe, then how does he explain the recent release of two official reports on ECHELON by the European Parliament which reveal the full extent of UKUSA bugging of phone, fax and data communications across Europe?

The issue is becoming white hot in Europe, with Governments demanding answers from Britain and America.

Nevertheless Rolfe's highly patronising critique of Hager's work was flawed on a number of points including:

1. Rolfe writes of Hager's work as being speculative (and other critiques have described it as pure hearsay). This is not correct. Dr Peter Wills of Auckland University, quoting from the 1990 issue of (US) *Naval Intelligence Bulletin* from America writes the NSA "control all sigint product dissemination, including that of field reporting sights and second party producers. (NZH 23.11.95). The second part meaning second parties to the UKUSA defence agreement to which NZ is a party under which Waihopai is built. This statement constitutes collaboration of Hager's work. Similar collaboration can be found in James Banford's *The Puzzle Palace*, and from statements made by former Canadian Intelligence agents, such as Jane Shorten and Mike Fost, who report how NSA-controlled sites in their country were used and abused by the NSA and the intelligence community. Again, statements on how UKUSA facilities are run have come out of Menwith Hill, a Waihopai-style facility in England, alongside other abuses by Elint-style agencies such as the Government Communications Headquarters spying on the highly decorated wing commander, Robert Laurence, whose crime against the state amounted to his speaking out on the incompetence of the Defence Department following the Falklands war. Echelon methods were also confirmed in a Whitehouse memo which revealed how the US had used

ECHELON to assist in AT&T beating a Japanese telecommunication company out of a contract tender in Mali.¹

2. Rolfe writes “one is reminded of the immortal phrase of Henry Stimson, US Secretary for War immediately before WWII ‘gentlemen do not read other gentlemen’s mail’ he was refusing permission for the US to establish an operation similar to that conducted by the GCSB. Some years later Pearl Harbour was attacked without warning”. The quote is correct, the context is not. Stimson later relented and the US code-breakers were actively monitoring the Japanese codes (which they had broken some years before) right up until the eve of America’s entry in to the war. This included the highly complex codes of the Japanese admiralty which changed, predictably, only a short time before the outbreak of war, leaving the Americans without time to crack the new set of codes.
3. There had been plenty of warning that Pearl Harbour was a prime target for the Japanese. The subsequent success of Pearl Harbour could not be blamed on a lack of code-breakers but inter-service rivalry and bureaucracy, which led to many of the warnings being ignored, especially those originating from Humint sources.
4. The prime flaw in US intelligence at this time was in fact its reliance on technology, specifically within its signal monitoring branches, which had led to an over-investment in the field of data correlation at the expense of the resources required for proper analysis of the said data.

A similar flaw demonstrated itself at a Sub Rosa Association dinner where, according to a source present at the dinner of some of the most notorious gossips within the NZ Army, one guest regaled the others with a tale of how an attaché at the Japanese embassy had flashed, to a mere sergeant in Army Intelligence, a rather thick file. The subject of this file

¹ Howling At The Moon Publishing Ltd ran first hand into British ECHELON bugging when it was liaising to co-publish a book by renegade British spy Richard Tomlinson. As Ian Wishart confirmed in *The God Factor*, British Special Branch officers raided a British publisher involved in the project, on the basis of email traffic monitored across Europe and the Pacific.

was the sergeant himself. The source reports “they laughed and thought it was a good joke”. No one had apparently considered the ramifications of this little episode. Specifically:

- a) What had been the motive behind this attaché flashing this comprehensive dossier, based upon a relatively junior ranking?
- b) How had this little act reflected the scale of Japanese intelligence. If they were willing to spend resources on a junior how much was being spent on people further up the food chain, and other fields (such as economic intelligence)? For what purpose?

During WWII one of the chief intelligence failures of Germany and Japan was the mistaken belief that their Elint and Signals intelligence were superior to that of the Western powers. When in fact the opposite had been true. Subsequently this arrogance, and their reliance on Elint over Humint, had led to their own Elint capacity being turned upon them.

Had both Axis powers relied on Elint as a secondary tool, a supplement to intelligence analysis, one cannot but help wonder what the effect would have been.

In New Zealand both the SIS and the NZ Army rely on outside intelligence supplements, and the US-controlled product issued from the GCSB. Little effort is spent on the analysis of nations beyond the Pacific (with the possible exception of the EAB), where again we rely with blind faith in the hand-me-down intelligence we receive from foreign powers with their own economic and security agendas to follow. Agenda's which both WWI & WWII showed were not above treating New Zealand's volunteered resources as expendable. Lest we forget.

Today Japan enters the arena of Pacific Elint with the creation of a new \$90,000,000 NSA style agency with a staff of 2000. (*SMH*, March 24 1996), which will double the capacity of a Japanese intelligence system already supplemented by the efforts of the collected divisional-size operations of Japan's corporate intelligence community. A community which, with the exception of Ian Fleming (who raises some very interesting points regarding the nature and purpose of Japanese intelligence operations), has been in its entirety, almost completely overlooked by the government intelligence services of nations in general.

The question is, in light of the security risk posed by ELINT in the face of a superior, more experienced opponent, of what use can Waihopai be to NZ vs the risk that it poses?

The authorities and the Government clearly regard the average New Zealander as an idiot, and they regard the average journalist as doubly-so. And probably in the latter case they'd be right.

I can hear the sneering from the media bench already, so I'll illustrate a case in point: the daily newspapers recently carried a story from the Government's intelligence watchdog saying the security services had given an assurance they were not monitoring New Zealanders' phone and fax calls – that Waihopai was listening to communications outside New Zealand.

The idiot journalists (in my humble view) who lent their names to this story either didn't know their subject or they were not telling the full story to the public: to get around little legal niceties about domestic spying, the CIA, MI6, ASIO and the NZ intelligence agencies have agreed to spy on each other's citizens.

This allows the NZ Government to truthfully say that no NZ phone calls are being monitored at Waihopai, without disclosing that all NZ phone traffic is being monitored by US or Australian agencies. Anything relevant is then brought to NZ attention. And vice-versa.

But instead of giving the readers this context, the newspaper stories blithely reassured readers that they were not being spied on!

Has the news media become the new "opiate of the people", a drug to keep the peasants occupied and distracted while the real business carries on behind closed doors?

I personally think that NZ would be better off to close Waihopai down and accept that on this level we can never compete with the big boys. We'd be better off spending resource on a better understanding of the outside world, and our place within it. Then again, I'm radical in my thinking, for I'd go as far as to suggest that we should (bar some limited tactical situations), just do away with the secrecy elements of our intelligence agencies all together. Why use a sales method thats going to bankrupt you, when you can use methods that are profitable?

To put it another way, I have a big mouth, it's my best protection. I never keep any secrets, I'm always telling people what it is that I do, what it is that I know, and I feel pretty confident that on an individual to individual basis there would be few NZ intelligence (not law enforcement) officers, bar perhaps some of the older hands at Customs, who have a larger network of sources than I do.

People talk to me and I talk to anyone. People do me the honour of opening themselves up to me, they invest their trust in me, and I like to think the reason is because I don't hide things away, because by playing honestly I establish my credentials. As they talk to me they learn that if they ask me my opinion, I'll tell them what I know, what I think, and why it is that I think that, in answer to any given question. I make an exchange. I ask for something and in return I'm willing to give something up. It's the old saying: you've got to give to get.

My line appears not dissimilar to the old school approach of Customs which is based on one rule, 'talk to the natives'. Customs Intelligence, an effective body, will I believe soon disintegrate (and the signs are already there) taking with it our first and best line of border protection.

As Customs' current intelligence approach (with its reliance on HUMINT) is replaced by a centralised but compartmentalised SIS, database-reliant style of intelligence (ie being controlled by some deadbeat who never gets out of Wellington). Similar moves are afoot within both policing, and military (to a lesser extent), intelligence circles within NZ. As the motto of the Spanish Foreign Legion goes 'death to intelligence'.

Scrapping the cloak of secrecy that modern intelligence wraps itself in would of course open us up to the eyes of the world. This consequence is not without its benefits. How can you know what's going on if your eyes are only in one place? How can you know what's happening if you're in hiding?

During the Cold War years the Polish (and to an extent the Czech) intelligence service, as the romantic version goes, operated as it had pretty much done before the Soviets invaded. The Polish collected secrets pretty much off everyone, which they then promptly turned around and pretty much well gave away to everyone. It drove the Soviets bat-shit crazy, but they never stopped it, for it proved to be just as useful. In fact the Poles pretty much made themselves indispensable within the intelligence world, and in doing so they became a genuine asset to their people's own national sovereignty (I am talking comparatively. The Polish Secret Service were no angels). The Polish Defence is opposed to the paranoia, and unethical subterfuge, of the counter intelligence slanted perception of what intelligence means, as practiced by most modern intelligence services today.

Discretion is always of importance when trading in intelligence, yet discretion has nothing to do with secrecy, as lying has little to do with being respectfully polite.

This modern interpretation of the term intelligence, with its obsession for secrecy, has taken over the entire purpose with which a nation has/or should have an intelligence service in the first place. Intelligence is the analysis of data, as my Grandfather might say ‘the art of turning education into wisdom’. Intelligence is not about secrecy. The higher the degree of secrecy the less efficient your analyst becomes.

Information is a currency. You don’t take a currency and hoard it in your vault, you take it out, move it about, and you shake it all around. You exchange it, you trade in it, you invest in it, you broker it, you barter it and by this you make more. You research. You develop. You make a profit.

The trouble with Nasty Bastards is they have a poor sense of economics, no sense of history, and very small balls. The trouble with Nasty Bastards is they’re scared.

The best way to defeat them is by people power: if you believe the information in this book is important, please recommend it to your friends. Knowledge is power.

CONCLUSION. - And they all lived Happily Ever After.

The Egyptian Pharoahs enslaved the lands of Canaan. The Romans forced the tribes of Germany to pay tribute to Casear. The Spanish and the Portuguese conquered, in the name of the Holy Empire, first the Indians of the America’s and then the peoples of Africa. The British coloured the map pink, subjugating the indigenous tribes into the ranks of Pax Britannica as they went.

Superior weapons and advanced technology made the difference, but it would have made little difference had technology, and military might, not been incorporated with stealth. Never in the history of warfare has the victory of an aggressor succeeded without the element of surprise. Yet in the end what happened to all these empires? They collapsed because the power became too centralised, because the system became too corrupt.

Corruption created greed, greed created poor resource management, and without that management the machine, for all its glory, went ka-put.

Is it paranoid to denounce such methods, or to consider the possibility that the wider range of surveillance powers passed by the likes of Barry Brill represent a genuine threat to the national sovereignty of this country? I cannot honestly answer that question.

Yet I live in a country that shows not one emotional response when an elected representative blurts out “if the people of New Zealand think

that we are here to govern they are mistaken - we are here to rule" (as Ruth Richardson stated during a visit to the US).

I live in a country that can hear yet another elected official state "move fast, and don't get in front of the machine when it starts to roll", adding the caveat "the dog must see the rabbit" (Roger Douglas during his address to the right wing Mont Pelerin Society's Pacific Regional meeting in 1989, *The Listener* April 9 1994) - statements which as journalist Bruce Ansley correctly writes means "In other words, don't let them catch up, keep em guessing".

The rabbit is an interesting analogy. Years ago I read a story in which slave traders would force march slaves to the market. The slavers would elect two slaves - one to be the eagle and the other to be the rabbit. The eagle would be well-fed, provided with women and other perks. Whereas the rabbit would be tormented and generally persecuted.

The end result being that the slaves themselves came to favour the eagle, while despising the rabbit not because they generally had reason to hate the rabbit but because they feared that they if they did not curtail to the slavers laws then they too would face the fate of the rabbit.

When you examine the origins of the vast chunk of the material within this book, when I examine the reasons that CASPER, became involved in some of the deeds that he claimed to have been involved in, the justification - the rabbit was communism during the Cold War, the eagle the sacred cow of capitalism as it was spun to the public.

Today capitalism is still the eagle, yet slowly capitalism no longer means "buy Kiwi made", (for nationalism has become a four letter word) capitalism now means globalism. As someone who has passed through the formal hall of academia where education has been melted down to repeating for rote the definition as defined in tutorial hand outs I cannot help but laugh. Communism was stamped out as a political force that dictates the economy through a central body: this was to be the blue print of Marx's global revolution. Today the core of capitalism as it's sold is spun through bodies like APEC, and the World Trade Organisation. Talk of a central governing body to regulate a global economy.

Can you spot the difference? Because I can't.

Today the rabbit is crime, or the flavour of the month terrorist (who still buys their weapons from the God-fearing globalists). As John Pilger describes, the demagogue of Cold War Russia has been replaced by an ever changing cast of lesser devils. Yesterday Somalia, then Bosnia, then for NZ's PNG, now its Kosovo, tomorrow someone else will wake up to find their own country in turmoil. Their conflict will maintain our

interest until some other tragic distraction grabs our attention. It's a cruel black joke as Johnny Rotten from the Sex Pistols had once quipped at the end of a performance in a tone of self loathing "Have you ever had the feeling that you've been ripped off?".

For as Australia's defence forces warn of the dangers of Indonesian instability, they simultaneously train with Suharto's butchers. Britain's Robin Cooke pledges Britain to the commitment of human rights while 56% of British exports result from arms including firms such as ICL who provided technology used by the South African government to track the movements of black South Africans.

As an article in the *Sydney Morning Herald* (6.12.95) points out "Indonesia's control of East Timor would be impossible without Western export of 'intelligence gathering and identification systems' necessary to pursue a program of ethnic cleansing".

Meanwhile Israel correctly reminds us "never forget the holocaust it must never happen again", yet like an abused child it exports the technology used by the death squads in Guatemala to create a computerised hit list.

The crux of the matter is summed up in the same article "the surveillance trade is almost indistinguishable from the arms trade. More than 70% of companies manufacturing and exporting surveillance technology also export arms, chemical weapons, or military hardware."

Such manufacturers pitch that such systems are necessary to protect us from the likes of drug dealers. You look at Australia with its 1300% increase in Heroin trafficking and you laugh. You follow the money trail of terrorists and organised criminals and having picked your way through an army of dodgy accountants, offshore banks, and major commercial centers you stand flabbergasted as you find the address of the likes of Abu Nidal, and Bin Laden, to have started at the very door of their so called enemies.

In a similar vein within NZ 'tinnie houses' are linked to gangs, the gangs are linked to their suppliers, and the suppliers are linked to the political parties, red-nosed politicians, who call for tighter laws against drug users.

As Madge would say, "You know you're soaking in it?"

In the 80's the competition had been communism and all the bloody little wars fought in the jungles of South America, in the mountains of Eurasia, and the plains of Africa, were justified in the name of fighting that beast. The end goal: Globalism. A free market. Free to receive shit wages, free to be treated as garbage by their governments and their bosses, free to consume and produce inferior products at a price which

the corporations consider acceptable. A form of thinking which few ecologists would agree with.

***“One ring to rule them all, one ring to find them,
One ring to bring them all,
and in the darkness bind them”
Lord Of The Rings***

It is a ring that represents a singular dark force. This force is not represented by a singular individual - some kind of Antichrist or power-mad tyrant, nor an isolated secret all-powerful cabal. It's not a handful of aligned corporations, the modern royal houses, nor an all encompassing New World/Old World ideology.

The force is simple: it is our personal fear. A simple emotion is the one thing that turns men into monsters, and prevents little girls from becoming women. Fear robs the 'USs' and the 'THEMs', it robs all people of their right to genuine freedom.

It never ceases to amaze me that no matter where I go, to whom I talk the same thing always happens whenever a few beers have been drunk, and no one is about to make the confessor feel foolish. The doomsday scenario's come out. Everyone's got one, some hidden niggling fear. It doesn't matter whether they're whisky drinking scientifically minded rationalists in suits and a \$50,000 salary or they're dole-surviving pot-smokin' new agers, everyone's afraid of the boogie monster under the bed.

Global warming, hot spots, level 4 diseases, terrorists armed with biological weapons, polar shifts, rising sea levels, Christian fundamentalism, the Islamic Jihad, Satan and computer bar codes, weapons of mass destruction, the Nostradamus prophecies, over population, DEFCON 1, Y2K, the UNicef Global Forecast, Economic collapse, Ebola, Aids, indigenous uprisings, the rise to power of the new right, social anarchy, Anthrax, the return of flares, toxic overload, the threat of conflict escalation...you've probably got the picture by now.

It's just fear people. The problem is as simple as the solution, it's just in our minds. If we face those fears, if we stand up to the problems that we can, and attempt to learn about these fears, the things that we don't understand, the things that we find scary, if we question, study, and talk to each other with honesty and without agenda, then inevitably I believe that we can overcome those problems.

I live in a country that has become corrupt, for we have become people who insist on selling ourselves short, we will not stand up and

claim what is rightfully ours, we will booze, we will dance, we will give our patriotic passion to football, yacht racing, and the other corporate sponsored games to which we turn up in the thousands, yet of things of substance, of things that control our children's dreams, we will not fight.

The reason is fear. Fear is selfish. Fear is what makes a person commit suicide, fear is the thing that stops you from listening to your heart, fear is the thing that hinders your ability to listen with your instincts. Fear has no understanding of the difference between needs and wants.

My friends are of the belief that writing a book of this nature could get me killed. Sometimes I read some of the things that I have written, and sometimes I consider with whom it is that I have picked a fight, and I see their point, but mostly I think they exaggerate, in flattery to my ego.

Yet should they be right and should I in my own dreams, when I sleep at night, consider such end this wouldn't stop me because I cannot sink my passion into watching someone else play a game where someone else is the winner, I cannot find significance in the minor achievements of someone else's life.

In being passionate about the state of my country, in being interested in the world that is my life, as if the world was my lover, I find something real, something that causes me to try to do something, something that makes life worth living. I call it freedom, it is my soul, and I cherish it's worth above all.

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To Sergent Major ‘Johnny B - Hot knives’ my MIB consultant, because regardless of which side you choose to stand I just wanted you to know I think your a top bloke and I always have. to Danny Casolara - warrior poet, to my best friends Frith, Angus, Jenny, and Rory to whom I’d never lie because my people mean too much to me. To The Saxon who proves that a passing stranger can be a mentor if your listening, To CASPER whom I respect, To my family who insanely encourage me and this fact never ceases to awe me- Durkai be passionate in all you do..To any person who has ever picked a fight with a tyrant, thats one fight you should never be afraid of.

Vidgen JUSTICE 101. - When we fail to examine the questions, we are been unfair. We are been unfair on the subject, but mostly we are been unfair on ourselves -.

In memory of Martin Luther King, because if any one had asked me I would have said 'let's stick with the dream – it's a good one.

To Owen Wilkes, and Toby Truell, who are owed far greater recognition for their efforts than they are ever likely to receive.

To my mother, because I have never been embarrassed to say I love my mum.

To Sapho, her family and friends - for some hurts will never go away.

To Mike, Peter and Barbra. Justice is not a cap badge. Nor is Justice the sole property of the law - justice is a responsibility that belongs to all of us.

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To Untypical Phil who gives so much while expecting so little.

"What is it about ducks that got me so interested in this cultural quackery"

- A typical Phil poem.

"This time you've got nothing to lose. You can take it, you can leave it: whatever you choose, I won't hold back anything, and I'll walk away a fool or a King." – Billy Joel, A Matter of Trust

"The people know each other, they've been in prison, they get introduced to each other, they do business...because that's what they are and like any other business they'll operate, they'll network, anywhere there's a dollar to be made" - Doctor Greg Newbold,

Criminal Sociologist, on the nature of gangs and organised crime -
(extracted from my interview June 1998 Canterbury University)

To Craig and John K - dirty rotten scoundrels whose company I nevertheless enjoy, most of the time, very immensely.

To the DJ brothers - who marked the beginning of our friendship by not breaking my kneecaps, then continued it by choosing to watch my back. I'm very thankful.

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To a stoner hippy chick named Fie. When I think "Why bother?", I think of how they'd put you in a cage, and remove all the Fies of this world for the crime of spending your life playing with kids and dogs on the beach. For then I think: "I don't want this to happen; I need to know that Fies are playing when I'm not." And when I think of how much I need this, I am no longer scared, for I'm too busy. Thank You Fie Thank you very much.

¹ *The Christchurch Press*, July 21, 1997

² *Pacific Islands Monthly*, September, 1997

³ Phone interview, August, 1997

⁴ *Pacific Islands Monthly*, August, 1997

⁵ *Ibid*

⁶ *Libyan Sandstorm*, John K Cooley (Holt, Reinhart & Winston, 1982), and *Secrets, Spies & Scholars: The Essential CIA*.

⁷ *Air America*, Christopher Robins

⁸ Interview with field officer for a US oil subsidiary, Singapore, 1991

⁹ *Time*, July 29, 1991, *The Economist*, June 1998

¹⁰ Southern World Airlines and Pacific Express material sourced from: TVNZ *Frontline*, August 25, 1991 and July 25, 1993, courtesy Rod Vaughan; *NBR*, June 26 and December 4, 1992, April 30, 1993; *The Independent*, September 25 and October 16, 1992, January 29, August 27 and September 10, 1993; *NZ Herald*, August 7, 1993; *The European*, August 1991; *Flight International*, August 1991; TVNZ *One Network News*, May 5, 1998; *The Other Side Of Deception*, Victor Ostrovsky, HarperCollins 1995; Interview with Neil Morris, SFO.