

No-Gutnick attacks Mideast peace

by Robert Barwick and Allen Douglas

In the wake of the assassination of Israeli Prime Minister Yitzhak Rabin on Nov. 4, 1995, Joseph Gutnick, a Melbourne, Australia mining magnate and leader of the Chabad Lubavitcher cult, poured over \$1 million of his personal funds into the Likud election campaign of Benjamin Netanyahu. Many in Israel saw Gutnick's money, which also helped finance a 5,000-person "get out the vote" effort by the messianic, cabalistic Chabad cult, as having provided Netanyahu's razor-thin margin of victory over Labor Party leader Shimon Peres.

Since then, Gutnick has poured additional millions into building Jewish settlement in Hebron, and, reportedly, has invested in the new Har Homa (Jebel Abu Ghneim) settlement in Arab East Jerusalem as well, whose construction threatens to blow up the Oslo Accords. As former Prime Minister Peres told students at Israel's Bar-Ilan University earlier this year: "Gutnick—he comes to pass out funds in order to argue, to spread evil and hatred."

Netanyahu is not the only prime minister indebted to Gutnick, who prides himself on being one of the few businessmen in Australia's tightly knit Jewish community to have donated heavily to Australian Prime Minister John Howard's election campaign in March 1996. Gutnick brags that all doors are open to him as a result, including an invitation to meet President Bill Clinton during his visit to Australia last November. So, although Australia's representative to the United Nations, Richard Butler, denounced Israel's plans to build Har Homa in a speech to the General Assembly on March 13, Prime Minister Howard has declared, regarding Gutnick's funding of settlements, that "a private citizen can do whatever he likes with his money."

That contention is absurd, as the Palestine Liberation Organization representative in Australia, Ali Kazak, has pointed out: Australia has passed laws against its citizens engaging in pedophile activity while overseas, for instance, even though they are presumably "using their own money" for the purpose.

Where'd you get the dough, Joe?

In the mid-1980s, Gutnick was a small-time stock speculator based in the "rag trade" in Melbourne, who was almost wiped out by the 1987 stock market crash. The usual Horatio Alger "rags-to-riches" story about how he soon thereafter amassed a personal wealth of Aus \$500 million (\$350 million) in mining interests, is that the late Lubavitcher "messiah," the Brooklyn-based Rabbi Menachem Schneerson, pre-

dicted that Gutnick would find diamonds in Western Australia. Believing his rabbi, Gutnick went into partnership with the British-owned diamond giant, DeBeers. Though unsuccessful in discovering diamonds, Gutnick amassed a fortune in gold. But, as the DeBeers partnership hints, Gutnick is merely a cat's paw for the highest levels of Australia's financial establishment, which, in turn, is directed from London.

As of 1989, all of Gutnick's companies were worth Aus \$17 million; as of June 1996, his eight companies were worth Aus \$3.3 billion. It is a very curious empire: Only two of his companies, Centaur Mining and Great Central, make money, while the other six are money-losing operations. The net assets of his companies, as opposed to their stock valuation, is only Aus \$397 million. As the *Australian Financial Review* of Nov. 6, 1996 noted, regarding Gutnick's capitalization of some 8.5 times book value: "While many miners [mining companies] are valued at two to three times book, the Gutnick group's market-to-book multiple would clearly earn a place in the record book."

Gutnick's astronomical rise began in the early 1990s, when the cream of Australia's financial institutions, such as the huge Australian Mutual Provident (AMP) insurance company, began investing heavily in his companies, which, until then, no "respectable" institution would touch. Their control is now such, that Gutnick told the *Herald Sun* of Nov. 21, 1996, "I do what the institutions want."

But, along with AMP, "the institutions" which hold the heaviest concentration of his stock are a group of "nominee" companies, which are privately held, about which, therefore, no information is available: Chase Manhattan Nominees, National Nominees, Westpac Custodian Nominees, and ANZ Nominees. An *EIR* investigation determined, however, that these "nominees," together with AMP, jointly control Australia's "big four" banks!

The most important of these is ANZ Nominees, tied to the Australian and New Zealand Banking Corp. (ANZ Bank). Originally London-based, ANZ has long been the bastion of the British establishment in Australia; a director for many years, for example, was former NATO Secretary General Lord Peter Carrington. ANZ has made its name in other ways as well. A former senior Australian counter-terrorism expert told *EIR*, "Wherever we've been doing investigations, you'll find ANZ Nominees in there somewhere."

Notwithstanding the private power behind Gutnick, the Australian government has repeatedly stated, as Australian Deputy Prime Minister Tim Fischer told Netanyahu and Arafat in meetings in Jerusalem and Gaza on March 13, that peace in the Middle East "is a high-priority issue" for Australia. Fischer was there, in part, to dedicate the new, Australian-financed courthouse for the Palestinian Authority in Gaza, and to support the Australian legal team helping to "build the legal system" of the PA. Given all this, his government's refusal to rein in Gutnick is particularly cynical.