
Citizen Above Suspicion?

Time to probe the dealings of Australia's Isi Leibler

by an EIR Investigative Team

In the last two years, Mr. Isi Leibler, co-chairman of the World Jewish Congress, has moved into the limelight in Asia.

In November 1991, Leibler, a citizen of Australia and Commander of the British Empire, conducted a high-profile tour of many Asian capitals including New Delhi, Beijing, and Tokyo. Leibler told the Australian *Jewish News* that the tour "had been undertaken at the request of the Israeli government and in full cooperation with it." Indeed, Leibler is credited for New Delhi's willingness to recognize Israel and open diplomatic relations with the Zionist state. But, as Leibler told the press, in addition to the Israeli Foreign Ministry, "the U.S. State Department, in liaison with the World Jewish Congress (WJC), had requested" the trip, and the "Australian government had endorsed it with full diplomatic assistance in every Asian capital."

In 1992, Leibler organized a festival in Beijing, sponsored by the World Jewish Congress, to improve Sino-Israeli ties. The same year saw another Leibler whirlwind tour of Asian capitals, this time to lobby leaders for the repeal of the U.N. "Zionism is racism" resolution, an endeavor in which Leibler succeeded.

Leibler has come a long way since February 1981, when he pronounced himself "deeply honored" that newly inaugurated WJC president Edgar Bronfman, scion of the Seagram's empire, had "personally extended to me" the post of chairman of the World Jewish Congress' International Advisory Committee. In 1984, Leibler was given another boost when he was asked to set up the Asia Pacific Jewish Association of the World Jewish Congress, which set the stage for the 1991-92 tours.

Leibler's new-found prominence on the Asian scene raises the question: Is Dope, Inc. making a big push into Asia behind the screen of Leibler's World Jewish Congress?

This article is the first in a series on the Leibler family. The most prominent organizers of the Zionist lobby in Australia, there is mounting evidence that the Leiblers are also up to their eyeballs in dirty operations, some of which are already under examination by the Australian Parliament.

The Leibler brothers—Isi, Mark, and Allan—are the sons of a diamond dealer from Antwerp, who fled Europe in 1939. As documented by *EIR's* book *Dope, Inc.*, the diamond trade is one of the major international circuits for the flow of money laundered out of the drug trade. Isi Leibler was in the diamond trade himself until 1963, when he started Jetset, his own ticketing and booking travel agency, in Australia. Moores Fine Jewelry and other diamond operations are still under Leibler family control.

To get an idea of the dirty nexus the Leiblers appear to be at the center of, begin with a little story of suspected drug trafficking in the South Pacific island of Papua New Guinea.

The dogs go wild

On Aug. 8, 1991, Dennis Stevenson, an Independent Member of the Legislative Assembly for Canberra, stunned the chamber by naming the bosses of Australia's drug and pornographic video operations. One of those he cited was Alexander Gajic, whose lawyer, Leon Zwier, traveled to the United States "to negotiate with various organized crime groups to set up a deal to import and franchise X-rated videos." Zwier, Stevenson noted, "was recently made a partner of Arnold Bloch, Leibler, and Associates." The firm is the home of Mark Leibler.

Gajic was notorious as a self-confessed drug dealer who had been interrogated by the Stewart Royal Commission in 1982. Why was his lawyer joining Mark Leibler's law firm?

This is not the first time that people who work closely with one of the Leiblers had been involved in operations smacking of organized crime.

On March 6, 1985, the customs unit at the Jackson Airport in Port Moresby, Papua New Guinea, brought their special drug-sniffing dogs in to examine an executive jet about to take off for Australia. Upon sniffing luggage and parts of the plane, both dogs went wild. As the customs unit prepared to search the plane more thoroughly, an on-board phone rang. It was Papua New Guinea Prime Minister Michael Somare, who spoke to the officer in charge and ordered the customs unit off the plane.

Detective Constable Sam Kei reported that when that officer, Chief Inspector Tuka, heard that the prime minister himself was coming to the airport, "Tuka appeared to be shocked. . . . I could not believe that the search was to be aborted. To my mind the dogs' reactions warranted a more thorough search of the aircraft."

Unknown to Kei or Tuka, the prime minister had just eaten lunch with the plane's passengers two hours before. The passengers were:

John Aston, one of Sydney's leading lawyers. Aston made headlines two years earlier when the Stewart Royal Commission investigation into Australian drug trafficking found that Aston was a conduit between the notorious Mr. Asia drug syndicate, and the Nugan Hand bank, a drug money-laundering institution with multiple ties to the CIA.

John Johnson, owner of the chartered jet company, Pelair. Aston was also a consultant to Pelair. Over the preceding decade, Johnson had run a series of jet charter firms, all of which had been closely associated with Sir Peter Abeles's transport giant, TNT. TNT not only dominated Australian transport, but had extensive operations in Europe, the United States, and China. Abeles was often referred to in Australia as the "White Knight" for his suspected role in narcotics trafficking. Mark Leibler is the tax adviser for TNT.

Sonnie Lipshut, an arms dealer. Lipshut was an associate of Mark Leibler, and his wife worked for Leibler at the Zionist Federation of Australia. Lipshut and his wife were both board members of the Israeli Aircraft Industries. In 1980, Leibler incorporated a Melbourne firm, Intercorp, to handle the sales of the Israeli Aircraft Industries (IAI) in the South Pacific.

IAI, one of Israel's largest employers, was set up by Adolf Schwimmer, who employed numerous members of the Meyer Lansky crime syndicate while smuggling materials to the Jewish forces in Palestine during World War II, as part of the Baltimore, Maryland-based Sonnenborn Institute.

Israeli aircraft and chartered jets

Aston, Lipshut, and Johnson were in Papua New Guinea for two reasons. The first was to sell three IAI aircraft for \$10 million to that nation's Armed Forces, orders which would likely otherwise have gone to the Australian Government Aircraft Factories.

The three were also trying to set up a new worldwide joint airline between Johnson's charter jet company, Pelair, with Air Niugini, the Papua New Guinea government-owned airline. Pelair already had permission to fly between Papua New Guinea and Australia to export fish.

Both proposals were approved by Prime Minister Somare. It is notable that opposition figures in the Papua New Guinea Parliament charged that Ansett Airlines of Australia, owned by Sir Peter Abeles, had financed the election campaigns of Somare and his party.

The Pelair-Niugini new worldwide airline was cleared

by Somare's cabinet over the opposition of the comptroller general of Customs, who warned in a confidential memo that he was bothered by "uncertainties over the company such as unprofitability, the drug-running suspicion . . . [and] the involvement of certain Australian lawyers and a law enforcement officer who are not directors or shareholders of the company."

Australian Federal Police had asked the Papua New Guinea police to conduct surveillance of Pelair as part of an investigation into a suspected drug operation, involving former New South Wales policeman Murray Riley. Riley, it was known, had earlier used the Nugan Hand bank to pay for heroin importations.

The "law enforcement officer" referred to was New South Wales homicide squad Sgt. John Duff, who had been involved with Johnson in a previous airline since 1980. Duff was called before the Stewart Royal Commission in 1982 to answer questions about his close friendship with Aston. Then, in August 1985, he was suspended from duty, when a sergeant with the New South Wales Bureau of Criminal Intelligence charged that Duff had told him of plans for drug smuggling between Papua New Guinea and Australia. Duff wanted to be tipped off about surveillance of several Sydney criminals, including Murray Riley.

The Pelair company was the latest in a line of charter companies run by Johnson. The first was Southbank Aviation, whose major shareholders included Johnson and one Barrie Loiterton. Southbank's major client, and according to one source, half shareholder, was Sir Peter Abeles's TNT.

As for Loiterton, he had also been named in the Stewart Royal Commission as selling land in Fiji to members of the Mr. Asia drug syndicate. Loiterton had joint real estate deals with Abeles's partner, Sir Arthur George. When Loiterton's own company went bankrupt in 1974, his major development holdings were sold to Abeles and George.

The "drug-smuggling suspicions" raised in the Customs memo intersected the "unprofitability" question. One of Johnson's companies was ostensibly flying vegetables from Cairns in northern Australia to Papua New Guinea, but given the price of vegetables, it was inconceivable that the company would not operate at a massive loss.

Unless, of course, it were flying something else.

As the Australian *National Times* newspaper of Oct. 4-10, 1985 put it, "In the late 1970s, there were regular reports that operators with small aircraft were using P.N.G. [Papua New Guinea] as a staging post to import drugs across the unprotected borders of northern Australia." In the 1980s, one of Sir Peter Abeles's companies suddenly won the contract for surveillance across that coast. Sir Peter Abeles also held the contract with the Chinese state freight-forwarding company Sino-Trans, for exporting goods from China around the world. The largest single drug production zone in the world is China's Yunnan Province bordering on Burma and Laos.