

# Inside story: the Bush gang and Barrick Gold Corporation

by Anton Chaitkin

Barrick Gold, caught scrambling for loot amid the corpses in Zaire, is a corporate front for the George Bush-allied covert political apparatus. The Canada-based Barrick is Bush's only known current business enterprise. The company, which Bush now personally leads, was created by Bush's political partners—British elite narcotics financiers, and arms traffickers and money launderers.

Using the influence of this political faction, Barrick acquired important interests, first in the United States, then in Canada and South America. In South America, as Barrick boasts in its 1995 annual report, the company has an aggressive, long-term approach, with mines and projects established in strategic locations in Argentina, Chile, Peru, Bolivia, and Brazil. "Almost two-thirds of the exploration and development drilling budget will be spent in South America, where the company has decided to focus its efforts," the annual report states. In addition, with its intended conquests in Indonesia and Africa, the firm now says it aims to move from third to first among the world's largest gold mining companies.

We present here the results of *EIR's* investigation of the Bush company, centering on the following principal figures:

**George Herbert Walker Bush**, whose father was a partner in the powerful London-controlled private banking firm Brown Brothers Harriman. Relevant to the Barrick story, Bush was U.S. vice president and chief of covert operations in the Reagan-Bush (1981-89) administration, and U.S. President (1989-93). As a former President and power broker, Bush is Barrick Gold Corp.'s chief lobbyist, a stockholder in Barrick, and honorary senior adviser to Barrick's international advisory board.

**Adnan Khashoggi**, a Bush-allied Saudi billionaire and arms trafficker, founder of the Barrick Gold Corp.; famous for his illegal weapons sales to Iran.

**Peter Munk**, a business failure who became a protégé of the British royal family, and Khashoggi's partner. Munk is chairman of Barrick Gold Corp.

**Brian Mulroney**, Canadian prime minister (1984-93) and George Bush's errand boy; Barrick Gold lobbyist and director, Bush's lieutenant on the Barrick international advisory board.

Barrick Gold was founded in Toronto, Canada, in 1983.

The majority investment in the firm was held by Khashoggi and his arms-trafficking partners, who were just then gearing up the Iran-Israel-Nicaragua guns and cocaine tangle which would explode in 1986 as the "Iran-Contra" scandal.

The nominal chief of Barrick Gold was Peter Munk, a Hungarian Jewish immigrant who had repeatedly "died" as a

## Peter Munk and London's hit squad

Barrick Gold Chairman Peter Munk has floated to a high place in the British Empire's political-financial apparatus.

Munk is chairman of Trizec, a huge real estate conglomerate which was taken over in virtual bankruptcy, and which holds a large part of Barrick's stock. Trizec had been the property of Munk's close friends, the Bronfmans, as front men for British intelligence and "Dope, Inc." London bankers around the Eagle Star Insurance Company.

Munk and Barrick director Andrew Sarlos are very close associates of international speculator George Soros, in a grouping of Hungarian Jewish émigrés. A personal investment director for Britain's Queen Elizabeth, Soros is the world's leading promoter of the legitimization of criminal enterprises, particularly narcotics.

Munk is also a director of the Hollinger Corporation, the reactionary global newspaper conglomerate organized by British intelligence and "Special Operations Executive" Crown representatives. Hollinger Chairman Conrad Black was the primary sponsor of Brian Mulroney's career. Munk has said that he created the Barrick international advisory board on the model of the Hollinger Corp.'s advisory board, which features such close Bush allies as Margaret Thatcher, Henry Kissinger, and the Bronfmans.

FIGURE 1  
**Barrick's gold mines in Zaire**



businessman, only to be repeatedly revived by princes and principalities. This much of Munk's story is before the public in a biography that was written and published with Munk's support, entitled *Peter Munk: The Making of a Modern Tycoon*, by Donald Rumball (Toronto: Stoddart Publishing Co., 1996). It vaguely describes Munk's public disgrace, his self-exile in London, and his sudden rise to near-billionaire status, ending with Munk's invitation to George Bush to become honorary senior adviser to the board, created in May 1995.

### The Clairtone heist

Peter Munk first became notorious in Canada in the late 1960s, as the beneficiary in an insider trading scandal. Munk and a partner named David Gilmour owned an audio equipment manufacturing company that had been heavily subsidized by the province of Nova Scotia. Munk and Gilmour quietly dumped 29,000 shares of Clairtone stock in 1967, just before publication of the company's financial report tipped off other investors that the company was failing. After Munk sold at \$9 per share, the stock plunged to \$1.

Dr. Morton Shulman, a member of the legislative assembly of the province of Ontario, asked government representatives if Munk would escape with his money and no legal consequences (see Ontario Legislative Library record of Ontario provincial parliamentary debate on June 3, 1969).

Ontario Minister of Financial and Commercial Affairs H.L. Rowntree responded that a court had been requested to order the Ontario Securities Commission "to commence an action in connection with [Munk's] Clairtone Sound Company . . . for an action in the name of the company for the accounting of profits allegedly made by him by reason of the improper use of inside information."

But there was no government action, and Munk would indeed escape. A Clairtone stockholder named John Adams, who had lost about \$5,500, had filed a legal action against Munk. Munk hired attorney Charles Dubin, whom Shulman described as "a lawyer who acts for the Conservative Party whenever there is an embarrassment to be covered up. . . . He is amazingly good at covering up Conservative scandals. . . . And Charles Dubin . . . knew exactly how to go about subverting the law in this case."

Shulman reported that Munk's attorney gave Adams \$35,000 as a settlement, on Adams's agreement not to make the case public. Then, "the lawyer for Adams and Charles Dubin went into the Judge's chambers . . . [and] requested the judge to remove the papers from the registrar's office and keep them in his own private chambers, which the judge did."

Charles Dubin, Munk's inventive attorney, the fixer for Mulrone's Conservative Party, became Ontario's chief justice, and only recently retired.

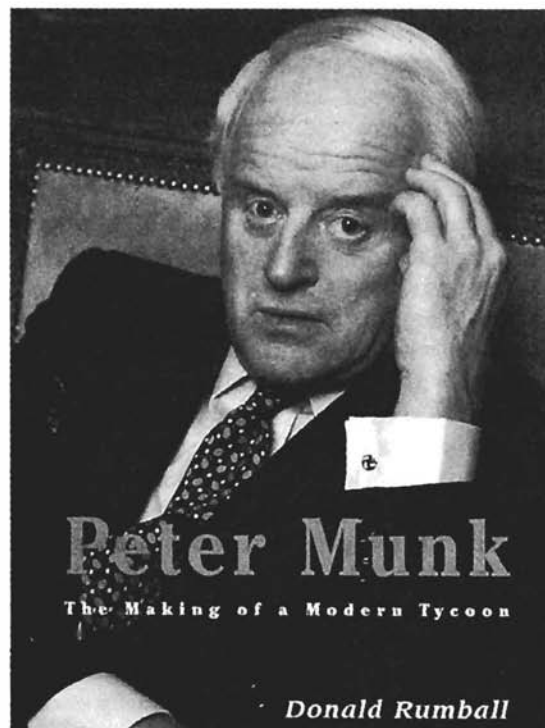
The disappearance of legal papers in the Munk case discouraged other stockholders from going after Munk. But the resulting scandal made him a pariah in Canada, and Munk moved to London to start a new life.

## 'Permission denied'

A Canadian literary agency, Westwood Creative Artists, controls the U.S. rights to the approved biography of Peter Munk, *Peter Munk: The Making of a Modern Tycoon*. *EIR* contacted Westwood and requested permission to reprint two photographs from the book. The agency reported to *EIR*, however, that Barrick Gold Corp. owned the photographs in the book, and that Barrick had specified that *EIR* was denied permission to reproduce the photographs. An agency spokesman told *EIR* that it was highly unusual that a specific publication would be singled out for such a denial of permission.

The photographs in question show the Barrick international advisory board, with George Bush, Brian Mulroney, and Peter Munk in the front of the group; and, Adnan Khashoggi posing with Munk at the Toronto Stock Exchange in 1982.

At right is the book cover of the Munk biography, with a photo of Peter Munk.



## 'Dope, Inc.' puts Munk back together

The sister of Munk's partner, David Gilmour, had married one of the Vansittarts, a family high in the Anglo-Dutch aristocracy. Munk's approved biography reports that this Vansittart activated the formidable Sir Henry Keswick, who made arrangements to lift Munk into a new career. Keswick's family merchant banking firm, Jardine Matheson, had long been the British Empire's leading, out-in-the-open organizer of Asian illegal narcotics trafficking and drug-money-laundering. (Keswick, Jardine Matheson, and their cohorts are central figures in *EIR*'s book *Dope, Inc.* (Washington, D.C.: Executive Intelligence Review, third edition, 1992.)

Jardine Matheson made Munk the chief executive of a Bahamas-registered hotel corporation called Southern Pacific Properties (SPP), with Jardine money, and Jardine's chief executive, David Newbigging, as a director. Then, Jardine's historical dope partner, the Peninsular and Oriental Steam Navigation Company (P&O), joined the Munk enterprise; P&O's Lord Geddes himself joined Newbigging on the Munk-SPP board. In future years, as Munk rose to world prominence in the gold business, the Hongkong and Shanghai Banking Corp. and the Royal Bank of Canada, two "Dope, Inc." financial agencies, would provide credit in the billions of dollars for Munk's expansion.

Munk-SPP became a giant hotel owner in Australia and the South Pacific islands, and seized control of the Travelodge chain.

Munk's rise in Australia was aided by his lifelong close association with fellow Hungarian émigré Sir Peter Abeles, Australia's transport mogul. Munk's stepfather had been secretary and assistant to Abeles's father in Vienna in the late 1940s. Abeles is reportedly known in Europe as "the White Knight," in reference both to his British knighthood, and his reported large role in the cocaine trade. Jonathan Kwitney, in *The Crimes of Patriots* (New York: W.W. Norton, 1987), reports that, after Abeles encountered labor union problems in his American business, Abeles gave to gangster "associates of . . . the most powerful Mafia leader in the United States . . . a 20% stake in his U.S. operations." His partners were indicted for hiding his payments, but Abeles refused to come to America to testify, and charges were dropped.

## Khashoggi, Barrick, and the ayatollahs

In 1974, Munk signed an investment partnership agreement with arms-trafficking billionaire Adnan Khashoggi of Saudi Arabia. According to Munk's approved biography, the new alliance was cemented when Munk and Khashoggi were summoned to the London headquarters of Peninsular and Orient. P&O's hereditary boss was Lord Inchcape, whose predecessor in the 1920s (also Lord Inchcape) had directed Britain's India Commission to continue the Empire's opium production.

Munk later told his biographer that he was nervous—Khashoggi was late and perhaps "the P&O directors

wouldn't wait for us and it would seriously harm the relationship. It was already remarkable that they should have a Jew and an Arab together in their dining room." But, the mighty Lord Inchcape convinced Khashoggi to plunge in, and Khashoggi now provided most of the cash for the Munk enterprise.

Since this arrangement was sealed back in the 1970s, Munk has grown in favor as London's creature. He became a regular skiing partner of Prince Charles, who recently attended the opening of a Munk speculative real estate venture (a factory outlet mall) in Germany. Munk is a member of the elite "1001 Club," co-founded by Prince Philip, a worldwide grouping of aristocrats, bankers, and speculators who support a radical anti-industrial, "pro-environmentalist" looting strategy, and who provide a lion's share of the funding for Prince Philip's World Wildlife Fund.

The first Khashoggi-Munk-London venture was an attempt to build a 10,000-acre "jet set" resort complex immediately adjoining the Egyptian pyramids. As the scheme threatened to destroy the entire historical/archeological area, it evoked mass protests, and could not be forced through. Munk sued Egypt's government, and was eventually awarded \$17 million by an international referee.

Khashoggi and his associates, backers of the British- and Bush-linked faction of the arms trade, created Barrick Petroleum Corp. in 1981, registered as a Delaware, U.S.A., corporation. Junior partner Munk, having returned from London, set up a parallel "Barrick Resources" in Canada.

But Munk's name was anathema to Canadian investors. So, Khashoggi was brought in to lend his prestige to Munk. Khashoggi made a televised publicity tour of the Toronto stock exchange, and announced that he had purchased 10,000 (Canadian) Barrick shares. At that point, in fact, Khashoggi, his brother, and their international associates already controlled the company, partially through Khashoggi's Liechtenstein-U.S.A. conglomerate, "Triad."

Munk was now launched as a corporate chairman in Canada. But this first Barrick, an oil development firm, went bust and lost all its money.

In 1983, the Khashoggi-led group formed the gold company whose name was soon changed to Barrick Gold Corp. Sheik Kamal Adham was reportedly one of the new company's founding co-owners. Adham, the chief of Saudi intelligence, had coordinated royalist guerrillas in Yemen, with British arms secretly provided through Khashoggi.

Beginning in 1985, Khashoggi borrowed \$21 million, using his Barrick stock as collateral, for the covert transfer of arms to Iran for the Bush-North group, during an official U.S. arms embargo against the Khomeini regime. Khashoggi made Donald Fraser, the Toronto-based businessman who allegedly provided the loan from his Cayman Islands company, president of Khashoggi's Triad American holding company.

Khashoggi used the Monte Carlo office of the Bank of

Credit and Commerce International to launder money for Iran arms sales. Barrick Gold Corp. co-founder Kamal Adham was later prosecuted for fraud in the BCCI case, and paid a \$100 million fine.

Khashoggi's Saudi royal piggybanks also underwrote George Bush's Central American "Contras" adventures, making payments through the Swiss Bank Corp. and a Cayman Islands bank, totalling about \$27 million.

When the Iran and Contra scandals blew up in 1986, U.S. Attorney General Edwin Meese linked the two scandals in a Nov. 25 public revelation. The next day, Munk announced a shareholders' meeting to decide on an urgent restructuring plan. A new organization emerged, keeping the Khashoggi group in control, but easing Khashoggi out of the limelight and making Munk the sole public figurehead. Personnel were shifted into the Canada organization out of Khashoggi's Triad operations in Utah. Tariq Kadri, Khashoggi's longtime attorney, was made president of the Horsham holding company that was put over Barrick.

As the U.S. Congress took up the arms-for-drugs investigation and other trails leading to Vice President Bush, Khashoggi became too hot for the Canadian partnership, and the Khashoggi group's shares were officially sold off. Khashoggi was himself arrested in 1989, in a fraud case involving the Philippines' Marcos regime. Taken from Switzerland and jailed in New York, Khashoggi was bailed out with a \$4 million check from his partner, Peter Munk.

## **Bush cashes his gold chips**

In 1986-87, at the height of the Iran-Contra controversy, the Barrick Gold Corp. acquired the Goldstrike property in Nevada for \$63 million. The land, proving to hold \$10 billion in gold, was the property of the U.S. government. Bush was elected President in 1988, and his administration put through a special dispensation—applied only to the Barrick Gold Corp.—to speed up the normal procedures for a mining company to take official title ("patent") to the land.

With the Bush Goldstrike intervention, Barrick Gold shot up from insignificance, to world power status, and Bush himself climbed onboard.

(Bush told the American public, in an interview in the Dec. 1, 1996 *Parade Magazine* Sunday supplement: "I don't join boards of directors, and I don't go into business deals." Yet, on Sept. 17, 1996, less than three months earlier, Bush had flown into Elko, Nevada, on a Barrick corporate jet. Bush's international advisory board convened at Barrick's Goldstrike property, and met with Barrick's directors. Speaking to an audience gathered to honor his presence at the mine, Bush said, "There is no such thing as an imperial, formal ex-Presidency. We just go back and live like the rest of you.")

President Bush's ambassador to Canada (1989-92), Edward N. Ney, had been for many years a Bush political opera-

tive and an international coordinator of Bush's "privatized" intelligence activities. In 1992, Ney quit as ambassador and became a director of the Barrick Gold Corp.

The following year, Brian Mulroney resigned as Canadian prime minister. Mulroney was the most unpopular Canadian politician; but, in power, he had directly aided Barrick's international ventures, and had worked closely with Bush to force through free trade agreements. Munk immediately hired the former prime minister as a Barrick step-'n'-fetchit. The approved biography explains Munk's point of view:

"Mulroney [was] the unhappy lightning rod for the angst of a whole nation, in office and out. Munk was well aware of these feelings toward his new recruit. . . . After nine years trotting around the world to meet world leaders, he had incomparable access to Presidents and prime ministers in all the key spots. . . . Mulroney arranged the necessary access to the key decision makers. Munk was starting to salivate at the prospect of an inside track into the huge Chinese territory." Mulroney has been paid over \$300,000 per year by Barrick.

Barrick announced in May 1995, that a new international advisory board was being assembled, under the leadership of "honorary senior adviser" George Bush, the former U.S. President, who, like Mulroney, had recently lost his job at the hands of the voters.

On Nov. 27, 1996, the French newspaper *Le Monde* leaked the news that Barrick had been granted a concession to prospect for gold in Zaire—a lead which prompted the present *EIR* Barrick investigation. Canadian newspapers that same day reported that Barrick Gold had convinced the government of Indonesia to award to Barrick control over the world's largest gold find, and that *George Bush and Brian Mulroney had personally done the heavy lobbying* to accomplish this.

The Indonesia deal is indeed startling. The small Canadian mining company Bre-X Minerals Ltd. had intended to develop the Busang gold mine, on East Kalimantan. Suddenly, the government announced that it demanded that Barrick Gold Corp. be cut in to a 75% ownership stake in the mine, which is estimated to hold 57 million ounces of gold, with a current estimated value over \$20 billion.

*EIR* contacted Placer Dome Inc., a rival company which has been bidding for the right to develop a share of the Busang mine. A Placer Dome spokesman would make no comment on Barrick Gold, saying only, of his own firm, "We are a gold mining company, not a political organization."

The U.S. Republican Party, of course, has been attempting to use President Clinton's fund-raising relationship with Indonesian supporters as a scandal to break the President. Former President Bush, meanwhile, has been reportedly telling world leaders, privately, that the Clinton Presidency is destroyed; that his son, Texas Gov. George W. Bush, will be the next President, reviving the Bush dynasty; and that, therefore, leaders would be smart to work with him now.

## George Bush's \$10 billion giveaway to Barrick Gold

by Mark Sonnenblick

In 1985-86, Barrick Gold Corp. paid two other mining companies \$63 million for a small working Nevada mine, called Goldstrike. Within a few years, it was found to contain 24.6 million ounces of gold, worth about \$10 billion. Goldstrike was on federal property. Under existing legislation, designed in 1872 to populate and bring development to the West, miners could operate on federal land for free, once they had filed a claim. They could obtain full legal title to the land at \$5 an acre, upon completion of a long and expensive process called "patenting."

In 1992, however, pressure was building for a new mining law to require that those given federal properties pay a royalty, a certain percentage of what they mine each year. As expected, when the Clinton administration took office in 1993, it sought a 12.5% royalty. At that rate, the 25 major mine claims then in the process of being privatized, would eventually yield an estimated \$10.75 billion to the U.S. Treasury.

Mining companies caused a major jam-up at the Bureau of Land Management, as they rushed to obtain patents before Congress applied royalties. By 1992, the long waiting line at the BLM Nevada office made it doubtful that many mines would get over the critical hurdle in the patent process in time. It would normally take several years for a mine of Goldstrike's size and complexity to complete the process, a BLM source commented, and the average during the previous four-year period was 10.3 months. But, Barrick made it in only 4.8 months.

Barrick filed its applications for 1,144 acres of land in March and April 1992. That summer, a pilot program for "expedited processing" of Nevada patents was instituted by BLM chief Delos Cy Jamison, a Republican who had been appointed to that post by President George Bush in 1989. Jamison concocted this speed-up procedure with the BLM Nevada state director, without informing his own staff. "Bells went off in my head when I heard about it," a former BLM staffer told *EIR*.

Philip M. Hocker, president of the Mineral Policy Center, an environmentalist outfit, testified to a Congressional subcommittee on March 11, 1993: "Under a new and unpublished 'pilot project,' the BLM allowed Barrick to hire outside