

ARTICLE APPEARED
ON PAGE 22

THE VILLAGE VOICE
July 1-7 1981

The CIA, Australia, & Story of the Nugan Hand

By Alexander Cockburn & James Ridgeway

SYDNEY, AUSTRALIA—The body slumped in the Mercedes was that of a once startlingly good looking man. In the pocket-size copy of the New Testament found on his body there was this inscription on the title page: "I place this day, my life, my work, my loved ones, in the Lord's hands. He is so good it will be a good day.

"I believe, I believe this will be a glorious magical miraculous day. He is with me now. Jesus walks. He is with me now. Visualize 100,000 customers worldwide. Prayerise, actualise. God is our partner in GNH & Co."

The initials at the end of the inscription stood for God, Nugan Hand and Co.

Australia shares with such countries as Iran, Guatemala, and Indonesia the distinction of containing a substantial number of people who believe that one of their country's governments was overthrown with the assistance of the CIA. The government in question was that of Gough Whitlam, Labor Party prime minister, who was propelled into ultimate political ruin in 1975. The circumstances of his government's eviction are still highly relevant to Australian political life today.

In October 1975 Sir John Kerr, the governor general representing Queen Elizabeth II, went far beyond his normal, supposedly neutral tasks of protocol and resolved a parliamentary deadlock by dismissing the Whitlam government.

The real crisis provoked by Whitlam, who headed the first Labor Government in 35 years, was symbolized in the policies of his energy minister Rex Connor, who had proposed a plan to regain the mineral wealth which Australian governments had, over the years, been selling off to American and Japanese international corporations. In the words of Australia's great historian Manning Clark, "Connor was a man with a vision of the greatness of Australia and Australians when they would be liberated from the moral infamies of capitalist society—when they would have ceased to be the victims of 1

Compounding the deep alarm aroused by Connor's plans was the fear of the CIA and the American and Australian defense establishments that Whitlam's government was taking a dangerously intransigent attitude to the U.S. military and intelligence presence in the country.

Within a year of Whitlam's ouster and the restoration of the Liberal (i.e. conservative) government of the present prime minister, Malcolm Fraser, speculation about CIA complicity was part of international journalistic currency. But at that time details were in short supply.

The picture has now filled out, principally through revelations accompanying the downfall of the Nugan Hand bank and the mysterious death by shooting of Frank Nugan, one of the principals.

The Nugan Hand Bank

The story involves two people: the first is Michael Hand, an American former Green Beret and, during the '60s, an employee of Air America. Air America was the CIA airline which played an important role in running heroin out of Southeast Asia, part of the overall mercenary program during the Vietnam war. Hand came to Australia in the late 1960s where he met up with Frank Nugan, an Australian. They soon embarked on some business deals—a tourist resort on the Great Barrier Reef and speculation in various land metals properties.

Profits from these ventures led to the creation of the Nugan Hand bank in 1973.

This bank recorded an astounding growth. In its first year capital stood at \$1 million. Four years later the bank showed a turnover of \$1 billion. As it grew in size the bank became identified with various individuals who had either been in or around U.S. intelligence operations during the Vietnam period.

In addition to the bank itself there were at least 17 other companies in which Nugan Hand had a direct interest. Numerous

of Hamilton Jordan. Nugan later tried to hire Golden as a contact to General Omar Torrijos of Panama.)

The Nugan Hand bank was at one point reported to have been involved in a scheme to convince President Jimmy Carter to resettle Meo tribesmen (the hill tribesmen who fought as CIA mercenaries) on a naval base on Grand Turk island in the Caribbean. The deal was to be arranged at a price by the Cayman Island branch of the Nugan Hand bank. This deal was still pending when Nugan died and the bank collapsed in 1979.

The Meo deal is representative of the sort of operations promoted by Nugan Hand. Subsequent investigations here in Australia suggest that the bank was deeply involved in the drug trade, had dealings with President and Mrs. Marcos of the Philippines, laundered money for former president Suharto of Indonesia, assisted the Pahlevi family in shifting the Shah's money out of Iran. It was also thought to be involved in international arms deals.

The bank also dabbled in local politics, attempting to frame Frank Walker, the attorney general of the state of New South Wales, a Labor Party member who had launched an attack on big business crime. The operation was simplicity itself and familiar to students of American political techniques during the Vietnam and Watergate era. The framing was done through the expedient of setting up a Swiss bank