

ASKIN: FRIEND TO ORGANISED CRIME

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By DAVID HICKIE

SIR Robert Askin was an underestimated man. The mark he left on this country was considerable — and has never publicly been discussed.

While Sir Robert Askin was in power, organised crime became institutionalised on a large scale in New South Wales for the first time. Sydney became, and has remained, the crime capital of Australia.

Askin was central to this. His links with three major crime figures Perc Galea, close friend Joe Taylor and another, allowed the transformation of Sydney's baccarat clubs into fully-fledged casinos.

Askin's links with corrupt police allowed those casinos and SP betting to flourish. The corrupt police included commissioners Allan and Hanson.

According to a reliable source very high in the old Galea empire, Askin and Hanson were paid approximately \$100,000 each in bribes a year from the end of the Sydney gang wars in 1967-68 until Askin's retirement. The source is impeccable. This information has not been available for the National Times to use until Askin's death.

The authority on organised crime Dr Alfred McCoy wrote in his book "Drug Traffic": "No city in the world could rival Sydney's tolerance for organised crime...During the 11 years from 1965-76, with the Liberal-Country Party in power, the state endured a period of political and police corruption unparalleled in its modern history."

Only now that Askin is dead can the recent history of NSW be explored publicly. It is not a time for holding back, despite the distress these revelations may cause Askin's colleagues and family.

Such are the laws of defamation in this country, that only a royal commission or parliamentary debate could fully protect public discussion about the Askin years while the man lived. Recent commissions into organised crime have never dealt publicly with Askin's role.

Much has already been said in the NSW parliament, but only in fragments. The parliament has never had an opportunity for full-scale debate on the Askin years. John Hatton the independent member for the South Coast told the parliament in August 1979: "Under the Askin government in the 1960s...the real penetration of Australian crime by overseas mobsters, gangsters and the Mafia took place. The shopfront gambling and rackets came of age. Large corporate frauds, consumer cheating, securities frauds and prostitution became rife...Shopfront baccarat and starting-price betting flourished..."

"I have no doubt that ex-Premier Askin and Police Commissioner Hanson knew of and may have even encouraged those activities. One is prompted to ask, were they involved, and to what extent?"



Between 1968-72 the half dozen baccarat schools ringing Kings Cross were transformed into a city-wide network of 14 major illegal casinos.

The first, the 33 Club, was opened in 1968 by an English migrant Mick Moylan senior, who bought out the largest baccarat school at 33 Oxford Street and opened a luxury casino with roulette and blackjack. It was located only 300 metres from the Darlinghurst Police headquarters.

Following the criminal gang wars in Sydney streets in 1967-68, the major underworld revenue sources of illegal casinos and starting-price betting were arranged into two groupings. The largest inner-city casinos were run by friends of Askin and Hanson in return for huge cash pay-offs.

The two groups were rivals. According to a source in the second group, they divided senior police up between them. The source maintained that, from the point of view of their business, Askin was not so much a politician receiving pay-offs as intimately involved in the Galea/Taylor operations, one of those "running the show".

Galea ran the Forbes Club at Kings Cross and later luxury establishments in Double Bay and the Telford building at Bondi Junction. Taylor ran the casino in Rockwall Crescent at Potts Point, and another leading operator ran a central Sydney casino. They formed the Big Three which controlled inner-city gambling during the Askin years without police interference.

By the mid-1970s casino bribe payments to senior NSW police and politicians were calculated by crime expert McCoy to total \$1.4 million per annum.

A former croupier revealed to McCoy that operating expenses in 1974 at Galea's Double Bay Bridge Club totalled \$16,000 a week: \$10,000 in wages, \$1,000 in rent and \$5,000 in bribes.

A second source in the Galea empire confirmed to The National Times last week that most of the \$5,000 cash was split between Hanson and Askin.

The money was always paid in cash bundles of \$10 and \$20 notes secured with elastic bands. The collection point was in a pub or a car, and the "bag man" would collect once a month to collect the package.

Various unsavoury characters acted as "bag men" for Askin over the years: a "bag man" collects the money and brings it back to his boss for a small cash payment. One was a former taxi driver with a reputation as a hit man, another a huge man of some six feet seven inches nicknamed "Tiny", and another was a man associated with Askin in his political life.

Organised crime in NSW evolved, in little more than a decade, from a precinct of vice concentrated around Kings Cross to the largest single industry in the state.

R and R helped. Thousands of American soldiers on leave from Vietnam attracted prostitutes, drug dealers and provided impetus for a network of lavish illegal casinos which became a focal point of the city's night life.

With gross weekly profits of \$30-\$60,000, and annual profits of over \$2 million on a turnover upwards of \$110 million, the Double Bay club typified Sydney's more lucrative operations.

When Galea moved his club,

including its entire stock of equipment and expensive fittings, from the Double Bay site to the first floor of the Telford building at nearby Bondi Junction in early 1976, the manoeuvre was carried out in broad daylight and without interference from the police.

Senior police officers became in-

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Joh's Garbage Bin

By MARK PLUNKETT

A PETITION publicly handed to the Queensland Premier, Joh Bjelke-Petersen, by Queensland Aborigines calling for land rights was later found disposed of in a nearby rubbish bin.

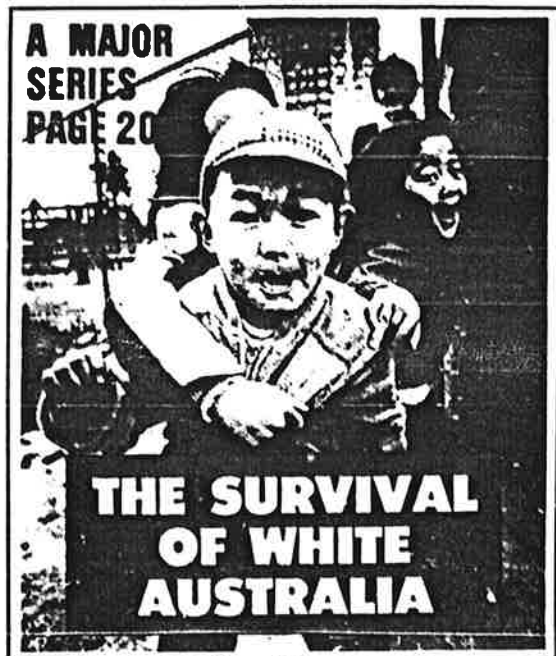
The petition from more than 300 Aboriginal people of the Cherbourg Aboriginal reserve in the Premier's own electorate near the south-eastern Queensland town of Murgon called for freehold title to their reserve.

It was handed to Bjelke-Petersen last month at the opening of a new wing to Murgon Primary School, by Charlie Renouf, a field officer with the Aboriginal Legal Service.

Bjelke-Petersen was greeted at the opening by about 100 Aborigines protesting against the Queensland Government's decision to abolish existing Aboriginal reserves and deny freehold land rights.

When approached by Renouf, Bjelke-Petersen first brushed him to one side, then accepted the petition.

On the following Monday, a school groundsman found the petition in a rubbish bin. Renouf quipped that since the waste bin did not have a lid on it, this must be an example of Bjelke-Petersen's idea of open government.





Askin's links to organised crime: Police Commissioners Fred Hanson (left) and Norman Allan (centre), and casino operator Perce Galea.

THE ASKIN STORY

Continued from page 1

involved in bribery and corruption, and organised crime which included armed hold-ups, robberies, gambling, drugs, abortion and poker machine rackets, dealings with criminals and prostitution.

The casinos produced money for crime, but more importantly they laundered large amounts of drug money.

The operators invested a small fortune in fixtures that could not be easily evacuated when the constabulary arrived — roulette wheels, blackjack tables, dice boards, baccarat settings and bar equipment. But they knew their huge capital investments in otherwise incriminatory assets were secure. The police never raided without advance warning.

The casino business was now large enough to sustain a full time training academy for croupiers.

Police Commissioner Hanson finally said he was aware of illegal casinos in 1973 but explained that "it is very difficult to gain entry and obtain evidence". No such difficulties are evident in the wording of the then Gaming and Betting Act.

Barrister and ex-policeman Mervyn Rutherford countered in a TV interview that Hanson's statements about the difficulty of casino raids were "garbage". Alleging a high level of police corruption, he claimed he had submitted a memorandum to police in June 1973 demanding a raid on the 33 Club, but had been told that the club and its elite patronage would not be disturbed.

McCoy calculated total turnover in the major organised crime trades by 1976 to be \$2,219 million — SP bookmaking \$1,420 million, illegal casino gambling \$650 million, poker machine "skimming" \$90 million, and narcotics \$59 million.

A Sydney lawyer in the late sixties was among the crowd watching Bob Askin and Police Commissioner Norman Allan celebrate the opening of a new illegal gaming house in premises at the rear of the Dixon Restaurant in Sydney's Chinatown.

The lawyer told The National Times last week that the premier and police commissioner performed a ritual opening by tossing the two-up pennies.

The lawyer has made a study of Askin's contacts with Chinatown. He told The National Times that Askin was a close friend of Henry Lee Young who originally operated from the Hop War dry cleaning and greengrocery building at 33-37

Dixon Street. Young later bought the Dixon and established the gambling house behind.

In April 1967 Askin was handed a statutory declaration by a Mr B. Ng containing allegations of police complicity with members of organized crime syndicates in Sydney's Chinatown involved in unlicensed gambling, smuggling of narcotics and counterfeit money.

The Ng controversy lasted for two years. Ng and his lawyer were harassed and even threatened with death. At last Askin refused an inquiry into Chinatown — on the basis of a report from Commissioner Allan.

Hutton subsequently told parliament that independent opinions obtained from Ken Marks QC (now Mr Justice Marks of the Victorian Supreme Court) and two other leading interstate counsel had concluded that Allan's report was a "carefully compiled and intelligent whitewash that should be categorised as dishonest and a derogation of a duty to the public to ventilate serious matters."

During the early 1970s poker machines came into their own as a prime target for organised crime in NSW. Senior Commonwealth police met with NSW detectives in Canberra in May 1972 and presented them with a report on the Bally poker machine company and a covering letter warning of the control

of the Bally Company by US Mafia-style criminals.

The NSW police reported to Askin's government in July on the links and Askin expressed concern in Parliament. But four months later Askin reversed his opinion. He told Parliament that the NSW police had prepared a further report which found Bally above suspicion. Justice Athol Moffitt later found the NSW police's last report was a cover-up.

The Moffitt Royal Commission into Organised Crime in NSW came about as a result of the Bally affair. Despite the restrictive nature of its terms of reference, Moffitt concluded that organised crime was well established in NSW and represented a serious threat to the society. But neither the Askin government nor the police acted on his recommendations and organised crime continued to expand.

All his life Askin was a racing man, a gambler and a punter. Askin's genial, friendly manner had an infectious effect upon most people; he was a good mixer who enjoyed a drink with groups of friends and low-key social occasions.

During World War II he was the battalion SP bookie and ran the two-up game. In later years he went to the racetracks and bet off course with SP bookmakers habitually. He was a familiar figure in the Randwick Members' enclosure, dressed in

blue suit and matching felt hat, puffing on a fat cigar while discussing the form with the leading bookies. In the words of one bookmaker with whom Askin used to bet, he was never a big bettor. "If he put \$500 on a horse it would have to be a certainty. More usually they would be \$20 of \$50 wagers."

Askin had an account with the biggest SP operation in Australia, which we will call C and B, which has been operating since 1941. Their business expanded rapidly during the Askin years.

A key factor in the mushrooming of organised crime in NSW during the 1960s was his government's failure to suppress SP betting after the introduction of the TAB in 1964.

A woman who worked for C and B during the 1960s recalled that Askin would ring up and bet on an account known as the "RWA (Robert William Askin) account", and it always caused much comment among the telephone girls when he rang.

She remembered one famous incident when Askin rang in and she could hear the broadcast of debate in the House in the background. Suddenly the bells were rung and Askin had to hurry off to the chamber.

Askin leaves more than memories behind him. This week virtually all the illegal gambling clubs that were established while he was Premier of NSW were open for business as usual.



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How the ABC manages to lose its war correspondents

By KEN ANDERSON

"WE lost two, or was it three, correspondents in the second world war," says Brian Furlonger, the ABC's executive producer of Correspondents Report. Square British jaw, ex-Kenya police officer, ex-British Army, in the field for the ABC, his shrug suggests you cannot always have an exact body-count at your fingertips.

"That war was well covered," He pauses. "Then we make a leap into the mid-sixties — for the simple reason that, as far as I can discover, we had no correspondents in Korea."

The ABC had overlooked the Korean War? For the purposes of the book Furlonger has compiled for the ABC on its correspondents, yes.

The book does contain stories filed by, and reminiscences of, correspondents such as Chester Wilmot who, unlike the other two or three

Vietnam to be gunned down by a madman on the road to Lusaka in 1979.

Also not in the book is a word from Diane Willman, who sat out Lebanon's civil war in 1975-76 and was heard from Beirut each morning in a million Australian homes, calm, unflappable.

But the book is not a history. Titled Then And Now, it grew out of Joyce's death.

"In the middle of last year, Clive Speed (the executive producer of PM) said why don't we put together a book on our correspondents, particularly with reference to the work of Tony Joyce. Not only to recognise the work they all do but as a way of marking the ABC's 50th anniversary."

"I agreed and took the job on. But it seemed to me it wouldn't be possible to do the necessary research to produce a history in depth. So the

on the stalls in November, about the time of the second anniversary of Joyce's shooting in Zambia by what the general manager of the ABC, Sir Talbot Duckmanton, calls in the foreword "an unknown assailant."

The book does not give any new insights into the incident. It can't. It is a matter still pending, one that could haunt the Commonwealth Heads of Government Meeting in Melbourne later this month because the Australian Government has classified it a murder of one of its nationals.

Last month the Government got a confidential report on investigations carried out by Zambian authorities. Whatever the report's conclusions, it does not say that the murderer has been apprehended. President Kaunda, the Zambian President will be here and Australian officials feel he could be embarrassed by it all. About the time of the death he'd been whipping his people into a frenzy of hatred against whites, be they Rhodesian, South African or British.

There is a falling among ABC