This development proposal lapsed when negotiations with Mr Bond began.

In another move yesterday, the Attorney-General said the NSW Corporate Affairs Commission is to launch a special investigation into any links between the businessman Mr Abe Saffron and Luna Park.

He said the investigation would include whether Mr Saffron acquired "any financial benefit or other interest or advantage" between August 1980 and March 1986 through the dealing of Harbourside Amusement Park Pty Ltd, trading as Luna Park Sydney, Luna Park Merrylands and Luna Park Milsons Point.

Mr Sheahan said the special investigation would cover "all the affairs" of Harbourside Amusement Park Pty Ltd, Sibaf Nominees Pty Ltd, Peak Services Pty Ltd, Peak Nominees Pty Ltd and Arcadia Amusements and Vending Pty Ltd. Sibaf Nominees and Peak Nominees are the owners of Harbourside Amusements Park Pty Ltd.

The Crown Lands Department, the owner of the Luna Park site, has ruled there is no legal barrier to Mr Bond taking over the remaining 25 years of the lease, but any redevelopment of the site is limited by the Luna Park Act, which stipulates that it can be used only as an amusement park.

The Australian Theatrical and Amusement Employees' Association has been given assurances that the 120 members of its union will keep their jobs if Mr Bond takes over.

The Mayor of North Sydney, Alderman Ted Mack, said yesterday the council would strongly oppose any development application by Mr Bond which would increase car traffic to Luna Park.

Also, if the SRA no longer wanted to use the adjoining land, North Sydney Council would expect it to be rezoned as waterfront park. "The site is priceless, the most spectacular in Australia," he said.

we would prefer not to have to repeat the events of last night. What is required is for Libya to end its pursuit of terror for political goals. The choice is theirs."

In other developments in the Libyan crisis yesterday:

- Greece has called a special meeting of European Community foreign ministers for tomorrow.
- US officials played down the notion that the attack had caused a rupture in the Atlantic alliance. But among Administration officials privately, and members of Congress publicly, there is considerable resentment of most European allies for not giving more backing to the US.
- US officials were taken aback by the Soviets' decision to cancel a pre-Summit meeting of both countries' foreign ministers next month — a decision which effectively kills the possibility of a summit for several months at least.
- The State Department said an American employee at the US Embassy in Sudan was shot and seriously wounded in Khartoum, and a radio network said Libya was believed responsible for the attack.
- Libyan patrol boats were reported to have fired two missiles at an American-run radar installation on the island of Lampedusa between Libya and Sicily. The raid caused no deaths, no injuries and no damage.
- Britain has been alerted by the Prime Minister, Mrs Thatcher, to the possibility of Libyan-inspired terrorist reprisals following the Government's approval for the use of US bases for America's bombing raid. She has appealed to the public to be on guard and to report immediately anything suspicious.
- Libya radio was continuing its direct appeals to Syrian and Algerian pilots to fly suicide missions against the US Sixth Fleet in the Mediterranean. "Oh Syrian brothers, take your place in the battle," Tripoli radio is urging. "Fly against America. They are the terrorists."

for by the strong support for the US action by Congress and the public.

Polls showed between 70 and 80 per cent of Americans favoured the US strike and Democratic and Republican leaders in Congress praised President Reagan's decision yesterday.

This was despite the fact that 45 per cent of the public believed the US bombing would increase terrorist attacks.

President Reagan, in his broadcast address on Monday night, spoke of "our friends and allies in Europe who co-operated," expressing thanks not only to the British but also to unnamed other countries.

But France and, in a less direct way, Spain refused to allow US Air Force bombers based in England to use their air space.

Continued Page 9

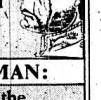
PAGE 9: Americans batten down as protests rage in Europe; Tense time as Reagan moved to order attack; Gaddafi seen on TV after raids. PAGE 10: Editorial.

INSIDE

GADDAFI

THE TARGET:

Claudia Wright speculates on the motives behind the Libyan raid
Page 11



FEATURES

THE MAN:

A look at the revolutionary poet who weeps for his family
Page 13

AGENDA

TRIPOLI, Wednesday: American planes flew over the Libyan capital today, causing momentary confusion and a brief outburst of machine-gun fire in Tripoli's Bab al-Aziziya military barracks, Libyan officials said.

The officials, accompanying reporters on a tour of the barracks, where the Libyan leader, Colonel Gaddafi, maintains a residence, said American planes flew low over the capital at around 2 pm (2200 AEST).

In Bonn, the West German Foreign Ministry said it had been told by its Embassy in Tripoli that the shooting had died out after an hour.

Reporters escorted to the barracks did not see or hear any planes, but several Tripoli residents said they heard aircraft.

The reporters had been told they were being taken to a news conference by Colonel Gaddafi, but he was not there when they arrived. The officials would not say where he was.

The heavily-fortified compound was bombed in yesterday's US air raids on the capital and Libya's second city, Benghazi.

Journalists saw eight craters in the compound, three of them in front of Colonel Gaddafi's residence where he, his wife and eight children were sleeping at the time of the attack.

His adopted 15-month-old baby daughter Hanna was killed in the raid. His sons Khamis, 3, and Saef al Arab, 4, are in hospital after being seriously injured.

The US has acknowledged only one penetration of Libyan air space since early yesterday.

Diplomats speculated the US may be either be carrying out reconnaissance missions or trying to maintain psychological pressure and tension in Tripoli.

In Washington, the Pentagon denied that American jets had flown over Tripoli today.

Confusion was evident in the streets of Tripoli today. Pedestrians were seen running for shelter as soldiers took up firing positions outside the barracks.

Officials reacted angrily when they heard short-wave radio reports relaying journalists' stories about the outbreak of shooting.

Journalists reported apparent skirmishing among unidentified factions.

Reporters in the centre of Tripoli saw a Libyan naval vessel firing along the waterfront in the harbour, and bullets were ricocheting on the street 150 metres from the press bus as it approached the barracks on the first trip.

"It's not true, it's not true," one Libyan official shouted as he heard the radio reports.

"It's anti-aircraft fire. When they heard an American plane overhead, they started shooting," said Ibrahim Seger, of the Foreign Information Department.

The shooting ran for about 30 minutes from 2 pm and caused some panic in the streets as drivers rushed to get away from the area around Colonel Gaddafi's barracks, where it was intense.

Foreign embassies were discussing contingency evacuation plans after a second reported US air raid.

The Libyan news agency, Jana, said four US warplanes were shot down last night in an attack about 21 hours after waves of US fighter-bombers, flying from bases in Britain and US carriers in the Mediterranean, first attacked.

There was no confirmation of the raid from Washington. But residents said they heard planes approaching and saw a glow, possibly caused by an explosion, about 20 kilometres west of Tripoli, where naval and oil installations are located.

The first air raids caused heavy damage and hospital sources put casualties at 13 dead and more than 100 wounded.

An official travel advisory warning US citizens to avoid Khartoum is still in force, but many US-based relief organisations continue to maintain offices here.

Continued Page 9

By MILTON COCKBURN in Washington and MIKE STEKETEE in Canberra

The Prime Minister, Mr Hawke, will urge President Reagan to seek the assistance of other countries in playing a mediating role with Libya's Colonel Gaddafi.

While he does not have a specific plan to put to Mr Reagan, he believes that unless the US seeks outside help to try to resolve the conflict, there is a real risk of retaliation heaped on retaliation.

Mr Hawke, who arrived in Washington yesterday and meets Mr Reagan tomorrow (Friday, Sydney time), will counsel caution and moderation to ensure there is no escalation of the conflict between the US and Libya.

He will suggest the US make public the evidence linking Libya with the bombing of the West German night club on April 5, resulting in the death of two people, including an American serviceman.

The Prime Minister and the Foreign Minister, Mr Hayden, obtained material early last week from Australian intelligence services, apparently as a result of the joint intelligence-sharing arrangements between the US, Australia and other Western allies.

It appears the evidence has made Mr Hawke privately much more sympathetic to the US reaction than the lukewarm support he expressed in his statement to Parliament.

Last Sunday, before the US strike, Mr Hayden, in remarks not previously reported, said highly classified intelligence material had convinced him "beyond any contestable doubt that Libya is exporting terrorism" and was responsible for the most recent incidents in Europe.

The material had come from "friendly and reliable allied intelligence services" and "even some from sources which we man ourselves or work at in some ways".

According to Government sources, this was not meant to be a reference to the US bases in Australia, but rather Australian intelligence.

Yesterday, Mr Gerry Hand, the left-wing MP who is president of the Victorian ALP, asked in Parliament whether any of the bases were used to assist in planning the US attack on Libya, to monitor it or communicate with US forces.

"If so, does this make these installations in Australia targets for any retaliatory action by Libya or its allies?" he asked.

The Defence Minister, Mr Beazley, responded by using the standard "neither confirm nor deny" formula but added several points clearly meant to reassure the Labor Party.

Stressing that the bases were jointly operated by the US and Australia, he said the North-West Cape naval communications station was concerned primarily with VLF communications to submarines in the Indian and Pacific Oceans and that "quite different" communications were available for US forces in the Mediterranean.

Mr Beazley said that "a fairly jaded and cynical public" occasionally had assumed that neither confirming nor denying amounted to a confirmation but there was no justification for this.

Mr Beazley said he saw no need to seek any guarantees from the US Government about the operation of the bases because they could only operate with the full knowledge and agreement of Australia.

Apart from talking to Mr Reagan, the Federal Government is pitching its efforts on the United Nations, particularly the Secretary-General, to try to prevent an escalation of the conflict.

Mr Hayden said in a television interview last night: "The alternative to working for something which may just prevent a worsening of the situation is a worsening vortex of conflict between those countries."

Brown said in Parliament yesterday the Government wanted more Italian tourists to visit. He said about 240,000 Australians visit Italy each year, but only 14,000 Italians visit us. Somebody (not a Pole) interjected: "The Pope!" Mr Brown replied: "His Holiness is coming. He's certainly one very prominent tourist."

A LOCAL public transport user wonders if personality problems among bus crews are more widespread than might be supposed. First he was alarmed by the driver (Column 8, April 7) who, after a confrontation with students, stopped a bus and ordered everybody out. Now from Wellington, New Zealand, his mother reports on a driver who took 20 passengers to a police station to accuse one man of underpaying him 35 cents. Perhaps most frightening, though, was the comment of one harassed commuter that the incident was not unusual.

ONE for the tax consultant: Dennis Lillee is officially opening a new Norgen-Vaaz ice creamery in the Waltons tunnel (the hole under George and Park Streets) today and is being paid a lifetime's supply of the company's product. This raises some thought-provoking questions: how do you assess tax on it? What if some of it melts? How often could Lillee eat an ice-cream anyhow? Who will determine his consumption? Will this mark the start of an ice-cream economy?

ECUMENICALISM marches on: parish priest Monseigneur James Delaney is soon to celebrate his 60th year of ordination. The grand bash in his honour is being held at a Masonic centre.

A PYRMONT resident recently called in a private pest controller who arrived with a truck full of equipment, plus an electric guitar and amplifier which, after spraying the place, he played while waiting for the fumes to take effect.

INSIDE

Amusements	15
Arts	12
Agenda	13
Comics, Crosswords	32
Editorials	10
Law Notices	32
Lottery No.2746	29
Lotto	2
Exam Results	14
Mails	32
Obituary	14
Shipping	32
Sport	33-36
Stay in Touch	16
Television	16
Personal Notices	Page 21-22

Classified Index on Back Page
Classifieds: 282 1122

WEATHER

Metropolitan: Unsettled. Temps: City 14-22, Liverpool 13-22. Pollution: low. Yesterday: City 16-25, Liverpool 11-28. Pollution: low.

NSW: Scattered showers contracting East. Cooler South-west winds.

The Sea: Slight to moderate seas and a low swell. Tides: High 1.24am (1.5); 2.44pm (1.1). Low 8.36am (0.6), 7.57 (0.8).

Sun: Rises 6.19, sets 5.31.

Moon: Rises 1.20pm, sets 11.05pm.

Full details, Page 16.

SMH COUNTRY 60 METRO 50 FR 50
Recommended and maximum price only. Interstate by air extra

APR
17
1986

Report urges boost to northern defences

Dibb: strategy of denial

By PATRICK WALTERS

CANBERRA: Australia's northern defences are expected to receive a boost if the Government accepts the recommendations of the Dibb report on defence capabilities.

The boost would include a new patrol boat base in north-west Australia, deployment of more regular army troops to the Northern Territory, a second Jindalee over-the-horizon radar system, and a new bare base for the RAAF on the Cape York peninsula.

Fundamental to the Dibb report is the adoption of a strategy of denial — a self-reliant defence posture by which Australia should be able to handle its defences out to a thousand miles from its shores.

The strategy of denial is designed to stop any enemy force well before it reaches Australia's shores.

The use of the word "denial" is likely to generate a vigorous debate in defence circles, with some defence planners expected to argue that the approach is a too defensive and reactive posture.

The report envisages a layered defence system, concentrating on Australia's northern approaches.

Key elements would include the RAN's new submarines operating in conjunction with RAAF F/A-18s and sophisticated surveillance systems.

The RAN's three-tiered surface force structure would consist of the Fremantle patrol boats, up to eight off-shore patrol vessels or light frigates of around 2,000 tonnes each, and six FFG-type frigates.

On land, the emphasis is on tactical mobility rather than mechanised armour, with the Army acquiring up to 100 utility helicopters. A number of Leopard tanks and some armoured personnel carriers would be placed in reserve.

The Dibb report, which has nine separate parts and a classified annex on Indonesia, Papua New Guinea, Cocos and Christmas Islands, was written by Mr Paul Dibb, 46, one of Australia's foremost defence strategists.

Mr Dibb has accepted that there is no immediate or foreseeable threat to Australia's security. In his view the strategic outlook is benign, and defence planners would have 10 years' warning of an assault on Australia.

His recommendations on future force structure are based more on an estimation of the sort of credible contingencies that Australia is likely to face than on building an expansion force to counter an invasion.

In an examination of contingencies, he has rejected advice from some defence planners that the defence forces should be structured on the assumption that only very low-level threats, such as terrorist incidents or harassments offshore, are likely to emerge.

He has accepted the military's view that other scenarios, such as small enemy lodgements on Australian soil, are credible, and dictate a higher level of capability and readiness for the defence forces.

He believes that Australia's unique geography, with its vast distances and huge sea area to the north, confers distinct advantages on the defender.

Australia's vast land and sea area also dictates the need for capabilities which make use of the most modern technology, rather than manpower.

The Dibb report contains no big surprises. But Mr Dibb's achievement is that, for the first time, the Government has a coherent report

Continued Page 2

Nine years on, Bazley is guilty



Bazley and Donald Mackay

James Frederick Bazley was convicted of conspiring to murder Griffith anti-drugs campaigner Donald Mackay in the Victorian Supreme Court yesterday.

The verdict came nine years after Mackay's death and after a 22-day trial and an 11-1 jury deadlock on Tuesday night.

Bazley stood, blinking tear-filled eyes, as the finding was announced. He was also found guilty of the murders of the Mr Asia drug couriers Douglas and Isobel Wilson in April 1979 and the theft of $260,000 from a security van in Melbourne in December 1978.

He was immediately sentenced to life imprisonment for the Wilsons' murders and to nine years — one year less than the maximum — for conspiring to murder Mr Mackay.

PAGE 3: Detailed report

Call for inquiry into Nazis in Australia

Lib 'war criminals' named

By MARK COULTAN and ROSS DUNN

The NSW Minister for Housing, Mr Walker, yesterday named six people associated with the Liberal Party as war criminals, saying they were just some of many hundreds who entered Australia during the Menzies Government.

He named Lyenko Urbanchich, Laslo Megay, Constantine Untaru, Srecko Rover, Fabijan Lovokovic and Konrads Kalejs as "war criminals and collaborators".

The NSW Government passed a motion for the Federal Government to hold a royal commission into the migration of Nazis to Australia during the Menzies Government. An amendment by the Opposition to include the period of the Chifley Government was defeated.

The Minister for Immigration, Mr Hurford, refused to comment last night on the call, but Federal Government sources said any suggestion of a royal commission into Nazi war criminals in Australia was "a furphy".

The Leader of the Opposition, Mr Greiner, in an emotional defence of the Liberal Party, told Parliament he had not seen proof of war crimes.

In response to criticism from Mr Walker that he had done nothing to rid the Liberal Party of Nazis, he said he was sick to the stomach at the thought of Nazis in a party he led.

With tears in his eyes and his voice cracking with emotion, he said his mother had suffered directly and personally at the hands of the Nazis.

He said he had never heard of four of the six people named by Mr Walker.

Mr Walker has previously named Mr Urbanchich in Parliament, but he said yesterday he had further documentation that Mr Urbanchich was "a leading member of the Slovenian puppet government led by Leon Rupnik". Mr Walker said Mr Urbanchich had claimed credit for forming the Domobranci, or White Guards, described by a US military document as "remarkable for their cruelty".

Mr Walker said Mr Urbanchich's writings constituted "war criminality in the strongest sense".

"Whilst Urbanchich's own hands may not have been directly involved in murder and torture, his writings by any test of objectivity were no different than those of Hitler or Goebbels, whose ravings and incitements were calculated to produce a climate where genocide — the final solution — became a reality."

Mr Urbanchich, who has consistently denied he is associated with the Nazi Party, refused to comment on Mr Walker's claims last night.

Mr Walker said Mr Laslo Megay was listed in the 1948 central registry of "War Crimes and Security Suspects", and migrated to Australia in 1950.

Mr Megay had been mayor of the Hungarian town of Ungvar, where in 1944 14,000 Jews were herded together and transported to Auschwitz. "There is little doubt that Megay participated openly and viciously in rounding up the Jewish people of Ungvar."

Mr Megay had risen to chairman of the Liberal Party's Migrant Advisory Council.

Mr Constantin Untaru, who was awarded the honour of "Migrant of the Month" in *The Australian Liberal*, had been a member of the Iron Guard of Romania, members of which had participated "in murderous

Continued Page 2

PAGE 6: From the Gallery.