

SECRET

Australia Station Intelligence Summary



(New Series)

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SECRET

S E C T I O N I

R.A.N. MONTHLY NOTES - EXTRACTS FROM
REPORTS OF PROCEEDINGS, ETC.

REVIEW OF PRINCIPAL NAVAL ACTIVITIES

H.M.A. Ships SYDNEY and TOBRUK.

After visiting Hobart from 5th to 12th February, SYDNEY and TOBRUK took part in the Joint Service anti-submarine exercises at Jervis Bay between 14th to 20th February.

SYDNEY is at present in Sydney for leave before sailing on 21st March for the United Kingdom to participate in the Naval Review at Spithead.

H.M.N.Z.S. BLACK PRINCE will escort SYDNEY during the cruise. In addition to 850 ship's company SYDNEY will have on board 340 R.A.N., Australian and New Zealand Army and Air Force personnel and 12 Australian Navy League Sea Cadets, who comprise most of the Coronation Contingents.

H.M.A.S. VENGEANCE.

VENGEANCE arrived at Sydney on 11th March.

H.M.A. Ships AUSTRALIA, BATAAN and ARUNTA.

AUSTRALIA joined SYDNEY and TOBRUK in Hobart on 6th February and sailed with them to Jervis Bay. After the exercises she paid a visit to Melbourne from 27th February to 3rd March. BATAAN and ARUNTA also took part in the Jervis Bay exercises.

H.M.A. Ships ANZAC, CONDAMINE and CULGOA.

ANZAC and CONDAMINE spent February in the Korean area. CULGOA departed Sydney on 3rd March for Korea to relieve CONDAMINE, who is to depart for Australia on 21st March.

First Frigate Squadron.

All ships of the First Frigate Squadron, except HAWKESBURY, took part in the AJASS exercises. These joint R.A.N.-RAAF anti-submarine exercises, in which nine ships and the submarine THOROUGH and TACTICIAN were present, were held on a war-time scale. The aircraft in the defending force consisted of SYDNEY's Sea Furies and Fireflies, a Dakota from Nowra Naval Air Station, and three R.A.A.F. Neptune bombers and several Lincoln Bombers.

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HAWKESBURY, with WARRËN in tow, arrived in Sydney from Fremantle on 5th February. She is at present taking a leave and refit period.

Training Ships.

The organisation of the First Training Squadron has now lapsed. H.M.A. Ships COLAC and LATROBE have paid off into Dockyard hands, and LATROBE'S ships' company has commissioned JUNEE, who is working up prior to commencing her training programme.

FREMANTLE carried out Reserve training in Victoria and South Australian waters during February and sailed at the end of the month for Fremantle to assist MILDURA in Reserve and National Service training in the West.

The operational control of COWRA, who operated between Port Phillip and Tasmania in February, was transferred to F.O.I.C., E.A. on 2nd March. She arrived in Sydney on 6th March.

WAGGA commenced her 50-days leave and refit period on 29th January.

COOTAMUNDRA's mine-sweeping training during February included a visit to Jervis Bay for the A.J.A.S.S. exercises.

H.M.S. THOROUGH.

THOROUGH departed Sydney on 7th March for Singapore for her refit. She is taking the Westabout route and her visit to Western Australia will provide an opportunity for Neptunes of the RAAF No. II Squadron at Pearce to carry out practical A/S exercises.

SURVEY SHIPS.

WARREGO and BARCOO are continuing their survey duties in Bass Strait and Gabo Island areas respectively. Early in February in Bass Strait WARREGO discovered a submerged rock whose top was only eight feet below the surface of the water at low tide. It is about 13 miles E.S.E. of the Pyramid, 16 miles off the west coast of Flinders Island, and about 8 miles S.W. of Frankland Rock. The rock is in water of a charted depth of 25 fathoms and is on a route used by ships trading between Cape Barron Island, Flinders Island and Victoria. WARREGO's present survey will include operations east and west of the Furneaux group and in the approach to the harbour at Lady Barron, Flinders Island.

H.M.A.S. RESERVE,

RESERVE, with S.D.M.L. 1324 in tow, left Sydney on 25th February for Manus.

DUTCH SHIPS VISITING AUSTRALIA.

The Royal Netherlands Navy Frigate, H.N.M.S. VAN KINSBERGEN (2,095 tons)

arrived at Williamstown Naval Dockyard on 16th February for a 3-week refit. On completion of her refit she sailed for Sydney en route for Hollandia.

Her Commanding Officer is Commander J.A. Agelink van Reentergem, R.N.N. and her ship's company consists of 14 officers and 158 ratings.

A second Dutch vessel, H.N.M.S. SNELLIUS (1,275 tons), entered Williamstown dockyard on 13th March for a refit.

SNELLIUS, commanded by Commander J.J. Steensma, R.N.N. is the most up-to-date surveying ship in the Netherlands Navy. She was launched in 1951, and has a complement of 105 officers and men.

R.A.N. TRAINING FOR MERCHANT NAVY OFFICERS.

The recently established Merchant Navy Defence Training Centre at H.M.A.S. LONSDALE is now conducting two-weeks courses for officers of British Merchant ships.

Subjects in the courses include trade protection, convoy work, communications, radar, defence against submarines and mines, damage control and fire-fighting, surface and anti-aircraft gunnery, atomic, biological and chemical defence.

APPOINTMENTS.

Commander V.A.T. Smith, D.S.C., R.A.N., has been appointed as Executive Officer of ALBATROSS II, and as C.S.O. to Captain (Air) Australia, to date 5th January, 1953.

Lieutenant-Commander S.W. Clayden, D.S.C., R.N., assumed command of H.M.S. THOROUGH on 2nd March vice Lieutenant-Commander H.R. Clutterbuck, R.N.

Lieutenant-Commander Clutterbuck assumed command of H.M.S. TACTICIAN on 4th March vice Lieutenant-Commander R.M. Wilmot, R.N.

COMMISSIONINGS.

R.A.N.A.S. Schofields, N.S.W., will commission as H.M.A.S. NIRIMBA on 1st April under the command of Captain D. Sanderson, D.S.C., R.N., who will have his headquarters there as Captain (Air), Australia. There will be aircraft storage and limited flying and technical facilities at H.M.A.S. NIRIMBA as well as the School of Aircraft Maintenance (Engineering).

H.M.A.S. JUNEE was commissioned at Melbourne on 25th February under the command of Lieutenant-Commander C.J. Cochran, R.A.N.

S.D.M.L. 1324 was commissioned at Sydney on 12th February before being towed to Manus to join S.D.M.L. 1327 in patrol duties in Northern waters. These vessels are not fully commissioned with their own crews, but are manned from TARANGAU, the Papuan-New Guinea Division of the R.A.N. forming part of the crews.

EXTRACTS FROM OR SUMMARIES OF REPORTS OF PROCEEDINGS.

Monte Bellos Patrol.

H.M.A.S. HAWKESBURY's responsibility in the Monte Bellos Prohibited Area after Operation Hurricane was to patrol the Area to prevent or apprehend any unauthorised persons entering the islands or removing radio-active material. This duty proved to be uneventful.

During the patrols a partial radiation survey of the islands was undertaken. During this survey it was noticed that the greatest intensity of radiation existed in "grey areas" in which formerly whitish-yellow rocks and sand are now coloured grey or black. There has been no fire in such regions, but the vegetation is brownish-grey and appears dead. No new growth has been noticed, as is the case in areas that suffered from fire and blast only. Although they are relatively plentiful elsewhere, no rats or lizards, and very few birds, have been seen in the grey areas.

These areas contain appreciable quantities of pieces of H.M.S. PLYM, and it may be that the dark colour is partly derived from finely divided particles of PLYM.

Whenever the ship was absent from the islands to collect mail and provisions, a small party of trained personnel with W.T. equipment was left camped on South East Island. This party camped under unpleasant conditions, as apart from a water shortage, and sand being driven by a persistent wind, hordes of nocturnal black rats swarmed from the rocks and over-ran the camp. At first the campers managed to keep the invaders at bay, but before long they gave up the struggle and took protection behind galvanised-iron barricades.

Prior to HAWKESBURY's departure from the Monte Bellos on 16th December, samples of seedlings, wheat, grass and plant life were collected from both the clean and contaminated areas for despatch to the United Kingdom.

The British Ministry of Supply sent a message in February conveying its thanks to HAWKESBURY for the work she carried out as guard-ship at the Monte Bellos both before and after the atomic weapon explosion.

Henley on the Tamar.

On 17th January H.M.A.S. GLADSTONE visited Launceston to act as flagship for the Tamar Regatta. In previous years GLADSTONE has staged for the Regatta patrons a demonstration taking the form of a pirate raid. On this occasion something different was provided.

One rating dressed as a young female was captured by "savages" and taken ashore in the whaler towed by the ship's motor boat. A cooking pot was set up on the beach and a fire lit under it with a view to cooking the "damsel".

Before the "cooking" got under way an armed rescue party was put ashore equipped with tin helmets, belts and gaiters and armed with Service rifles and blank ammunition. The "savages" were armed with rotten tomatoes and bags of soot and a battle took place on the foreshore culminating in the rescue of the "young lady".

VENGEANCE's Passage to Australia.

Completing her refit at Devonport Naval Dockyard on 2nd January, H.M.A.S. VENGEANCE was visited on 6th January by the High Commissioner for Australia, His Excellency the Honourable Sir Thomas White, K.B.E., D.F.C., V.D., to mark the occasion of her loan to the R.A.N.

The High Commissioner was especially impressed by VENGEANCE's Chapel, which is an exceptionally well appointed one with its panelling, stained-glass windows, beautiful vestments and furnishings. After addressing the ship's company the High Commissioner presented an inscribed silver kangaroo to the ship. This gift will remain in VENGEANCE when she is returned to the R.N. as a reminder of her loan service.

VENGEANCE arrived at King George V Dock on the Clyde on 18th January to embark 10 Sea Furies, 2 Fireflies and freight. During the passage to the Clyde naval aircraft carried out strike and shadowing runs against the ship.

She set course for Australia on 21st January and entered the Mediterranean Station on 25th January. Passing through the Mediterranean via Malta and Port Said, VENGEANCE made an uneventful passage of the Suez Canal in a night convoy. A special floating searchlight which can be shipped on a crane underway removed the necessity for stopping at Suez.

In the canal VENGEANCE passed H.N.M.S. PIET HEIN, returning from Korea, and in the Red Sea, U.S.S. GENERAL GRANT.

Calling at Aden and Colombo en route, the carrier arrived at Fremantle on 26th February, and at Sydney via Melbourne on 11th March, 7 weeks after departing from the Clyde.

East Coast of Korea Duty.

During the Christmas - New Year period H.M.A.S. ANZAC carried out patrols on the East Coast of Korea, the Commanding Officer acting as Commander, Task Element 95.22. Operations were generally routine and consisted mainly of the defence of the Yang Do Islands, blockade and interdiction of the East Coast Railway. Defence of the islands and blockade called for operations differing in many respects from those which ANZAC was accustomed to perform on the West Coast; interdiction of the railway line was a completely new experience.

As there are many gun emplacements along this coastline, especially between Chongjin and Chaho, it is hazardous for a destroyer or smaller ship to approach

very close to the shore in daylight. At night, however, ships can move right inshore without opposition, only one gun having been reported as capable of "blind-fire" and as having engaged a ship at night. There is no doubt that if guns with such capabilities are mounted in other strategic positions on this coast, the season for night train-busting operations must quickly end.

West Coast Operations.

H. M. A. S. CONDAMINE opened her December patrol in the Haeju Gulf with a 100-round bombardment of the peninsula, following an Intelligence report on 1st December from one of the friendly islands of a large enemy build-up of trucks and rubber boats.

Weather conditions during this patrol made operations difficult as snow fell continually for a week, with the temperature fluctuating between 18 degs. and 28 degs. F. The novelty of a foot of snow on the upper deck caused a certain amount of interrecine warfare on board.

On 7th December CONDAMINE was relieved as C.T.U. 95.12 by H. N. M. S. PIET HEIN. The Commanding Officer of CONDAMINE commented that it was remarkable that this turnover of C.O.'S, Gunnery, Navigating and Communication Officers was effectively completed without anyone on board CONDAMINE knowing a word of Dutch.

During January all operations on the West Coast were hampered by ice formations. One Korean patrol craft had to be assisted from the Han River after dragging on to a mud bank when an icepack had formed around the ship. U.S. mine-sweepers were withdrawn from Chodo, as this area was completely iced-in and sweeping operations were impossible. Operations near Haeju were also limited, as large areas of heavy broken floe ice restricted navigation.

To add to CONDAMINE's difficulties, little Intelligence was passed to the ships of her task unit during this period by the two R. O. K. Intelligence organisations on the islands, and results of sea and air bombardments could not be checked. These guerilla regiments were in the throes of reorganisation, after a period of "domestic" troubles, the necessary recruiting and training causing a curtailment in Intelligence operations.

Fuelling Astern.

While off Paengyong-do on 26th December, CONDAMINE exercised fuelling by the astern method from R. F. A. WAVE KNIGHT. 50 tons only were received and the operation took 1 hour 47 minutes. This was the first time the tanker had performed this operation and 30 minutes were taken to pay out the hose and the same time to recover the gear. In future three-quarters of the hose-length will be cut in a bight close to the stern of the tanker and both winches will be operated

to recover the gear. On this operation the hose length was fully recovered by the tanker before the second winch was manned to recover the tow.

M.S.L. 708 Assists S.S. "MANGOLA".

On 10th February M.S.L. 708, attached to TARANGAU, assisted in the refloating of S.S. "MANGOLA" a 3,350-ton Burns Philp freighter, who was aground on Kar Kar Island, off Madang.

M.S.L. 708, manned by seamen ratings of the Papuan and New Guinea Division of the R.A.N., rendezvoused with S.S. "BULOLO" off Kar Kar Island and, regardless of the heavy sea running, successfully transhipped 300 fathoms of 5-inch wire rope for the refloating.

CORRECTION.

The following correction is necessary to the penultimate paragraph of Page 6 of A.S.I.S. No.9 :-

For "17 rounds" read "174 rounds".

SECTION II

EXTERNAL INTELLIGENCE.

SOVIET FAR EAST.

Port of Nakhodka.

Nakhodka, a comparatively new Soviet Far East port, lying at the northern end of America Bay in the Maritime Province, has for the past 3 years been the scene of a great deal of activity. Before 1947 very little was heard of this port, as no major construction had commenced and it was a small subsidiary to Vladivostok, 60 miles to the west.

At present, as well as being a rapidly expanding commercial port handling large ships, Nakhodka is being developed as a major Soviet naval base. America Bay is ideally situated for this purpose, the harbour being well sheltered with hills on three sides and only a small part of the entrance open to the weather. On these sheltering hills are placed the port defences, A.A. guns, heavy coastal defence batteries, searchlights, radar and wireless stations.

Nakhodka now has almost 3,000 feet of concrete-faced wharfage at which ships of 28 feet draught can berth. This wharfage has been extended at least 1,500 feet since 1948 and work is proceeding to lengthen it still further. At present up to seven Liberty ships use the port at the one time.

Cargo-handling on the wharf is well catered for with at least 15 mobile jib cranes of from 15-20 tons capacity; in addition there are three floating cranes, including one of 50-80 tons capacity.

Railway connections with the port are good, newly constructed tracks on the wharf running through extensive marshalling yards just outside Nakhodka and joining the main Vladivostok line.

The roads in the port have until recently been described as being poor; but, as it is confirmed that heavy trucks are bringing large amounts of building material into Nakhodka, the roads have probably been improved or new ones constructed.

As a Soviet naval base, Nakhodka is used by ships up to destroyers, and by M-class submarines which anchor close by or moor to a 5,000-ton submarine depot ship. Recent blasting of cliffs near this anchorage may mean that submarine pens or a new submarine berth are being built.

Repairs to naval and commercial ships are carried out in a fitting-out yard next to the wharf and in a floating dock capable of taking Liberty ships. There is also a submarine repair yard at Kamenka, a short distance from Nakhodka, but

as yet only minor repairs can be carried out at both places.

The naval base includes several storehouses and dumps, fuel storage tanks, a signal station, a submarine base headquarters building, and a naval training school.

The town is not large, but has most of the essential facilities, a power station, hospital and a few factories. Much building is going on, the labour coming from a nearby prison camp.

KOREA,

There seems little possibility that an armistice in Korea will be achieved in the immediate future. The United Nations stand firm on the Indian-sponsored proposal for ending hostilities in Korea which was adopted at the last session of the United Nations General Assembly.

It is now up to the Communists to make the next move if they really desire to end the fighting in Korea.

Military Situation.

Fighting continues along the whole front but no Communist attacks larger than company size in strength have been reported. The general pattern of fighting is unchanged, i.e. limited objective attacks by the enemy and raids and patrol activity by the United Nations forces.

Communist forces' strength has been increased by about four divisions, and recent changes in the disposition of these forces suggest preparations for increased offensive activity, but as yet there is not sufficient evidence to show that they intend to launch a major attack in the immediate future.

At present, indications are that the Communists are likely to maintain and probably increase their limited objective attacks against United Nations-held tactical features along the front, especially in the Western and Central Sectors.

It is estimated that the Communists have about 100 IL 28 type twin-jet bombers in Manchuria, but so far there are no indications of their intentions in respect of the use of these aircraft. These bombers have a range of operation which covers the whole of Korea.

United Nations Naval Forces have carried out normal activity off both the East and West coasts of Korea.

Political Situation.

The Acting Prime Minister of the Republic of Korea, Tu-chin Paik, gave the Administration's programme for 1953 in a recent address to the National Assembly in Pusan. Tu-Chin Paik made the following points: An early armistice which

did not provide for the unification of Korea would constitute appeasement to the Communists; to achieve unification greatly strengthened Korean forces were necessary; education would be adjusted to meet wartime needs "with a view to creating a source of greater military strength, and harmonising national defence and education"; more stringent internal security measures would be put into effect to combat Communist guerilla activity and espionage; provision of adequate food supplies and rehabilitation of the economy of South Korea including war-ravaged industries.

Issue of New Currency.

A new currency called the "hwon" has been announced by the Government of the Republic of Korea. The "hwon" currency became effective on 17th February and is valued at 100 to the United States dollar. Koreans were permitted to exchange only 500,000 old currency "won" each during the first nine days following the issue of the new currency, after this the limit was 1,000,000 "won". All remaining holdings of old currency are to be held in bank accounts as savings.

JAPAN.

Political Situation.

A further split within the Liberal Party has led to the defeat of the Yoshida Government.

A press report states that the Prime Minister, Mr. Yoshida, dissolved Parliament after an Opposition no-confidence motion in his Government was carried. The Opposition accused the Prime Minister of pursuing internal policies which would lead to the revival of a police state in Japan and of tying Japan's fortunes too closely with those of the United States.

It is expected that a general election will be held towards the end of April.

There seems to be a growing body of opinion within Japan supporting the adoption of a neutral attitude towards the present struggle between the U.S.S.R., her Satellites and China and the Western Powers. This neutral attitude is probably growing out of belief that it will help to rehabilitate Japan speedily as a World power.

Recent moves by both the U.S.S.R. and China seem designed to foster the development of a neutral attitude by Japan. They include approaches for increased Sino-Japanese trade, offers to repatriate Japanese internees in China and suggestions that applications for fishing rights off Kamchatka would be favourably received.

Ryukyu Islands and Bonin Islands.

The question of the return of these island groups to Japanese Administration has again been raised, this time in the Diet Budget Committee. From information available it seems that it was raised by the opposition in an attempt to embarrass the Government.

National Safety Force (N.S.F.)

The strength of this force was recently raised and now stands at 110,000. Of this number 45,000 have completed two years training and are of fairly high efficiency, 30,000 have completed basic infantry training and 30,000 have commenced basic training. The infusion of several hundred experienced professional officers has improved the officer situation and coincided with a command and reorganisation on the basis of three skeleton corps, each of two "regions" (divisions) staffed down to regimental level. It seems that the present strength of 110,000 is about the largest force Japan can raise and maintain because of civilian apathy and the slow recruitment to the present strength.

Coastal Safety Force ("Navy").

At a recent press conference the Director-General is reported to have stated that the projected 1953-54 National Budget will cover an increase of not more than 3,000 men for the C.S.F. The present authorised strength is 7,950.

The Director-General, National Safety Agency, is also reported to have said that the number of vessels leased from the U.S. is still inadequate and that it was planned, therefore, to construct a certain number of high-speed boats of approximately 700 tons at a cost of 200 million yen each.

Japanese Press Reaction to United States Policy in the Far East.

Japanese press comment on the change of task of the United States 7th Fleet in respect of Formosa was restrained but appeared impressed with the prominence given the Far East by President Eisenhower's Administration.

CHINA.

Political Situation.

According to a New China News Agency statement on 15th January, 1953, the Central People's Government Council, at its 20th Session on 13th January adopted a resolution on the convening of the first all-China People's Congress and local people's congresses. These organisations are to be elected by universal franchise.

The all-China People's Congress is to adopt a constitution, "ratify the outline of the five-year plan of national construction" and elect a new Central

People's Government.

A Committee for the Drafting of a Constitution was established under the Chairmanship of Mao Tse-tung and an Election Law Drafting Committee, under the Chairmanship of Chou En-lai.

Thus the Government of China will in future be based upon a written constitution. The new Central People's Government will remain a Communist-dominated united front Government. No doubt the next step towards the Soviet type state will be the gradual removal of all parties other than the Communist party from the Government.

China and the Korean War.

Even though the war in Korea has created many difficulties for the Communist Government in China, it appears that it had had its compensations as according to the Chinese Prime Minister, Chou En-lai, it has been a great stimulant to the spirit of patriotism of the Chinese people, has strengthened their morale and political unity and helped in every aspect of national transformation. An intensification of the anti-American propaganda campaign in China would further strengthen morale and political unity; this would be of advantage in view of the possibility of action against Chinese Communist territory by the Chinese Nationalists.

FORMOSA.

Change of Task of the United States 7th Fleet.

In a recent statement President Eisenhower said that the 7th Fleet would be no longer employed as a shield for the Chinese mainland. The 7th Fleet, however, is still charged with the defence of Formosa.

The change in United States policy removes the embargo against Chinese Nationalist attack on the mainland of China but it is doubtful if the Nationalists have the capability to carry out such a venture without strong United States Naval and Air support. It seems unlikely that the United States would give the necessary support unless there is a radical change in the Far Eastern situation.

It might be possible, however, for the Nationalists to take Hainan Island which it is believed is lightly held.

INDO-CHINA.

The French High Commissioner in Indo-China, M. Letourneau, arrived in Australia early in March for discussions with the Government on "material" aid for Indo-China.

He will also visit Washington and Paris before returning to Indo-China.

Military Situation.
The French have had some success against Viet Minh forces which had infiltrated the Northern Tonking delta area.

The French believe that the next Viet Minh move will be an attack of about divisional strength in the direction of Sam Neua, in Northern Laos about 140 miles South-west of Hanoi.

Visit of Inspector - General of French Forces.

The Inspector-General of the French Armed Forces, General Alphonse Juin, is now in Indo-China, following a visit to Korea, where he was shown the rapid progress made in mobilizing, training and equipping additional South Korean divisions.

Since General Juin's arrival in Indo-China the Franco-Vietnam High Military Committee has announced its intention to raise 54 new all-Vietnamese battalions this year. It seems probable that in making this decision the High Military Committee was influenced by General Juin's observations of progress made in South Korea in raising and training South Korean formations.

The 54 new Vietnamese battalions, (about 40,000 men), when raised and trained, would permit the acceleration of the transfer of military responsibilities from France to Vietnam.

Aircraft Carrier ARROMANCHES.

The French aircraft carrier ARROMANCHES was due to leave Indo-China on 26th February for refit in France. It is understood that her aircraft and crews were to be landed in Haiphong before sailing. It is not yet known whether or not another carrier will replace her.

THAILAND.

The political star of General Phao Sriyanondh, Director-General of Police appears to be a little dim at present, probably because of his recent association with political rebels. He has also taken offence at criticisms by certain Western countries of inefficiencies in his department and, probably as a result of this situation, has gone to Japan ostensibly to study her police methods.

EURMA.

K.M.T. Situation.

The K.M.T. forces in Kengtung are again causing concern to the Burman Government by their recent activity from which it appears that they are now working with

the Karens, with whom they may even have an alliance.

Little information about K.M.T. moves since the end of January is available but up to that time K.M.T. elements had been reported in the vicinity of Lolkaw and Mawchi in Central East Burma, at Hlaingbwe and with the Mons at Tavoy in South-east Burma.

The Prime Minister of Burma, U. Nu, has suffered much criticism from the Opposition because of K.M.T. activity and in reply has stated his intention of taking the question of the K.M.T. in Burma to the United Nations.

SINGAPORE.

Communist Activity.

Examination of documents seized in recent raids by the Police reveals that the M. C. P. Singapore Town Committee has not been re-formed since it was broken up in 1950 and that direction of all Communist activity is now under control from Johore.

Current activity of the Party is directed toward acts of terrorism against those who give information to the police. Organised smuggling of strategic materials to China is still on a fairly large scale and it is believed that the Communist organisation is behind most of it.

PHILIPPINES.

Internal Situation.

Recently, President Quirino ordered a limited cease-fire against the Huks in order that a civilian-army team could negotiate full-surrender terms. This move followed the success of the Army in rendering the Huks virtually impotent.

Negotiations are now in progress, but from the outset it appears that the Huks are not so interested in surrendering as in gaining breathing space in order to re-organise.

The Government has offered parole on the merits of each case and an opportunity for re-settlement on a 50,000 hectare community project. The Huks have countered this offer with the following demands:

- (1) A complete cease-fire while negotiations are in progress.
- (2) Recall of all Army units in the field.
- (3) Permission to retain all arms and continue the collection of taxes in areas still under their control.

It appears that the Huks are aware of the desire of some Government officials to settle the Huk question before the November Presidential elections and are endeavouring to use this as a lever to get more favourable terms.

Defence Minister Resigns.

Mr. Magsaysay, Defence Minister in the Quirino Liberal Government, has resigned. It is believed that his resignation is the direct result of the Government's decision to open negotiations with the Huks who owe their present position of impotence to his vigorous leadership of the Army.

Magsaysay has always opposed negotiation with the Communists and to support his views points to the futility of the Korean cease-fire.

It is believed that Magsaysay's plans are to stand for President at the November elections as a Nationalist candidate if the Nationalists accept him.

Chinese Arrests.

The recently reported arrests and pending deportation of a number of Chinese from the Philippines have now been clarified further. The Chinese were members of the Chinese Bureau, an organization that went underground after openly declaring its affiliation with the Philippines Communist Party. It has actively supported the Huks with money and supplies.

The Bureau is known to have maintained a close liaison with Luis Tarucc, the leader of the Philippines Communist Party, who is at present believed to be in Peking.

A striking feature of the arrests is that they include many prominent members of the wealthy Chinese business community and Philippines civic organizations.

Security services believe that those arrested represented the hard core of the Chinese Communists in the Philippines.

INDONESIA.

Government Incompetence.

The Indonesian Government has been Virtually at a standstill for the greater part of the past four months. Since the resignation of the Sultan of Djogjakarta as Minister of Defence it has given the impression of being incapable of maintaining law and order. Internal security has deteriorated, especially in Sumatra where there is little respect for constituted authority. Relaxation of pressure against the Darul Islam which resulted from the resignation of the Sultan has meant a resurgence of lawlessness from this source in Central Java and the position there is believed to be serious.

Further deterioration can be expected as the promised elections approach, although no date has yet been fixed for them.

Communism appears to have a fairly free hand and it is likely that Communist activities will be further intensified, particularly in the Celebes where Colonel Warouw has forcibly assumed command of the Army. Corruption is rife and the Government's vacillating policy is doing nothing to correct the drift.

German Coaster for Commercial Service.

The modern German coastal motorship "ANKE HARMSTORF" is to sail shortly on a two-year time charter to Indonesia, where she will be the first German ship employed on a commercial service in Indonesian waters. The ship, which is owned by the Otto Harmstorf Line, will ply between Djakarta and other ports in Java, Sumatra, Borneo and the Celebes. She will carry an all-German crew.

Salvage of Japanese Vessels.

During the last war, 156 Japanese vessels, totalling 485,016 gross tons, were sunk in Indonesian waters. A number of Japanese firms are seeking the salvage rights, one of which, the Kawaminami Industry Company, is trying to obtain a complete monopoly of the job of reclamation.

Negotiations with the Indonesian Government are being carried out through the Hong Kong firm of George Hung and Co.

One of the stipulations that the Indonesian Government is insisting on is that all salvage work must be completed in two years.

SECTION III

AUSTRALIA STATION INTELLIGENCE.

REPORTS OF SUBMARINE SIGHTINGS IN THE SOLOMON ISLANDS.

During his recent visit to the Solomon Islands, S.O. (I) N.E.A. learned of two independent reports of sightings, which apparently relate to the same vessels. The vessels observed were said to resemble a submarine and small attendant tanker. The reports originated from the Russell Islands on 19th January and Gatukai Island on 20th January.

After investigation, S.O. (I) N.E.A. evaluated the reliability of the report as C. 3.

ACTIVITIES IN THE NINIGO AND HERMIT GROUPS.

On 6th February, reports of loud explosions were received from Coastwatchers at Mal (Ninigo Group) and Maron (Hermit Group). At the time of the explosions, a vessel was sighted from Maron, proceeding North and a few hours later a light was sighted from Mal, proceeding South.

Further reports were received of explosions in the Hermit Group on 16th and 19th February. A white crash-boat type of vessel was sighted in the Ninigo Group proceeding at high speed between the islands of Heina and Pelleluhu, on 15th February. S.D.M.L. 1327 was despatched from Lombrum to investigate and returned on 27th February. No vessels were seen, and although an explosion was heard, no reason for it could be ascertained.

On 3rd March at the Hermits, a sampan was seen apparently fishing shell, and on March 4th one was seen anchored inside the reef.

Also, on March 4th a ship of approximately 500 tons was observed from the Ninigo Group, steaming south between the Ninigos and Hermits; and a further explosion was heard on this date. S.D.M.L. 1327 and the R.A.A.F. ASR vessel were despatched from Lombrum on 4th March to investigate these reports.

PROPOSED VISIT OF JAPANESE PEARLING FLEET.

Although a Fisheries Agreement between Australia and Japan has not been concluded, exchanges between the two countries prior to negotiations are taking place. The situation has been complicated by Pearl Shell Fishing Company of Japan which has announced its intention of re-commencing Pearl Shell fishing in the Arafura Sea North-west of Australia in April/May this year. This company has been granted the Japanese Government monopoly for pearl shell fishing in the Arafura Sea under arrangement with the New York firm of Otto Gerdaud, which handles 80%

of the world's pearl shell business.

The Pearl Shell Fishing Company of Japan intends to fish two areas. One is 25 square miles, 18 fathoms deep at a point 45 miles North-west of Darwin and 40 miles South-west of Bathurst Island and the other is 30 square miles, 17 fathoms deep, 25 miles North-west of Melville and Bathurst Islands. It is understood that Japan intends to restrict the catch to an annual maximum of 1,250 tons (compared with 3,000 tons pre-war).

The Japanese pearl fishing fleet will be composed of 25 diver boats and one 200-ton mother ship escorted by an unarmed Government patrol boat, the role of which is to supervise the catch.

The Japanese Government "operational permit" authorising this fleet to sail has not been issued to date.

THE COMMUNIST PARTY OF AUSTRALIA AND THE TRADE UNIONS.

The Communist Party industrial section has recently been losing some ground in its control of trade unions; notably the Miner's Federation, Ironworkers, and Federated Clerks, mainly through the activities of the A.L.B. Industrial Groups.

Although Communist rank and file elements continue to exercise unsettling influences in these unions and in industry, the policy of the Party has been changed to requiring its members to seek the confidence and unity of non-Communists in efforts to retrieve its industrial losses and retain existing controls.

The Party still substantially controls the following major Unions: Seamen, Waterside Workers, Boilermakers, Sheet metal Workers, Ship Painters and Dockers, Blacksmiths, Federated Engine Drivers and Firemen, branches of the A.E.U., but have lost control of the Central Council of the Miners' Federation with a 7 to 8 minority, and a 1 to 2 minority on the Central Executive, their one representative being the President, I. Williams, a prominent Communist.

The new Council is reported to have decided to end the Communist political activity which has prevailed in the Council and Executive for many years, steps to achieve this being to disaffiliate the Union from the Communist World Federation of Trade Unions, to forbid the Union sending delegates to Russia or other international Communist conferences, to change the communist political policy of the Union's newspaper "Common Cause" to a purely industrial tone, and generally to concentrate on the industrial welfare of members of the Union.

Notwithstanding these developments, it is noteworthy that the new council recently adopted a recommendation of the Communist president of the Union, I. Williams, advocating the socialisation of the coal mining industry, which platform is in the constitution of the union.

Coal production in New South Wales for the year ended 31st December, 1952, amounted to 15,041,000 tons, which is 1,528,000 tons higher than the 1951 figure. It is the highest amount ever produced.

NEW FLYING BOAT BASE AT REDLAND BAY, QUEENSLAND.

The Department of Civil Aviation has decided to establish a new flying boat base at Redland Bay to replace that at Hamilton, Brisbane River. During the last eighteen months three collisions have occurred between flying boats and surface craft in the Brisbane River.

Redland Bay is 27 miles from Brisbane by road and the proposed base will be situated in sheltered waters and will provide for three-way take-offs in most wind conditions. There is deep water available close to the shore and some modifications will be necessary to the Redland Bay Jetty for landing passengers.

The Department of Civil Aviation will provide dredging, a landing pontoon and an equipment shed.

The main operator at the present flying boat base at Hamilton is the **Barrier Reef Airways**, which will be required to transfer to Redland Bay if facilities there can be provided. Barrier Reef Airways provide the main link with the Great Barrier Reef centres including Gladstone, Hayman Island, Lindeman and Day Dream Islands. If facilities are not provided at Redland Bay for this company it may establish headquarters at Rose Bay, Sydney.

It is anticipated that the new base at Redland Bay will be completed by July, 1953.

GLADSTONE - INSTALLATIONS.

The new Caltex Ltd. Oil storage tanks at Gladstone were officially opened on 16th December, 1952. The storage tanks will contain petroleum mainly and will be used as a distribution centre to towns in Central Queensland. Details of tanks were contained in A.S.I.S. No. 9.

Vaccum Oil Co. Pty. Ltd., and a group of independent oil companies intend constructing installations on the foreshore adjacent to the Caltex terminal when 10½ acres of the foreshore are reclaimed. The Gladstone Harbour Board has accepted a tender for this reclamation project.

The mechanical coal-loader being constructed on the wharf at Gladstone will be altered from a fixed loading head to a moveable one, capable of travelling the length of the wharf. Another modification is to allow the plant to load pyrites as well as coal.

Handling costs for large-scale coal shipments should be considerably reduced when this new plant is in operation (estimated to be late 1953).

KURNELL OIL REFINERY.

Preliminary work has commenced on construction of the new £25 million oil refinery at Kurnell, Botany Bay, owned by Australian Oil Refining Ltd.,

Before work can commence on the refinery at Kurnell Peninsula, a seven mile road twenty feet wide will be constructed from North Caringbah and will have an asphalt surface.

Borings and soundings have been made in preparation for the construction of a deep sea wharf and the harbour will be dredged eventually to allow tankers to tie up alongside.

BLAIR ATHOL (QUEENSLAND) COALFIELD.

The American proposal to equip Blair Athol with modern mining machinery, to construct a railway line from the coalfield to the coast in the vicinity of Proserpine and to create a new port to be named "Nevinport" has not been officially received as yet, by the Queensland State Government, although it is reported that an approach has been made to the Commonwealth Government. A representative of the Nevin Pacific Company in Brisbane, however, has approached the State Premier and discussed possibilities.

Despite the closer distance to Mackay, it is felt that the company would prefer to extend the proposed new line to "Nevinport", a distance of approximately 190 miles from Blair Athol, should the scheme become officially approved.

"Nevinport" would appear to be situated due west of Molle and Cid Islands, in position approximately 20 degs 16½ mins S, 148 degs E (Ad. Chart 847).

NEW DREDGE FOR TOWNSVILLE.

A new dredge commenced dredging in the inner harbour and channel approaches of Townsville in January. The dredge is named "Townsville" and will be used at that port continuously. It was built at Newcastle.

SHIPBUILDING EVANS, DEAKIN AND CO., BRISBANE.

M.V. "HEXHAMBANK", a diesel-powered collier of 2,100 tons displacement, was launched on 31st January at Evans, Deakin & Co. Ltd.'s shipyard at Kangaroo Point, Brisbane. This collier is of the raised quarter-deck type, has an overall length of 268 ft. and is 245 ft. between perpendiculars, with a beam of 37 ft. She is designed for a speed of 10 knots and is a single-screw vessel equipped with a six-cylinder, two-stroke, reversible British Polar Diesel Engine, which develops 960 B.H.P. at 250 R.P.M.

It is the 31st ship built by this Company since 1940.

In the next seven years this shipyard will build six more ships consisting of four 10,000-ton and one 6,500-ton cargo ships and a 7,000-ton collier.

The "HEXHAMBANK" has been built for McIlwraith, McEachern Ltd. for the Newcastle-Sydney coal run.

ADELIE LAND EXPEDITION.

The Resident Naval Officer, Tasmania, has furnished the following report containing information gleaned from M.V. TOTTAN on her return from the Antarctic:

"Conditions for the embarkation of the French expedition at Geographe Bay were very good indeed. The ship anchored within 300 yards of the beach and embarkation of personnel, stores, husky dogs and thirty penguins (Emperor & Adelis) for Australian and French zoos was completed rapidly. Ice conditions were very good. Some bad weather was experienced between Adelie Land and Macquarie Island, but generally weather was good.

TOTTAN called at Macquarie Island and at Auckland Island for Dr. Stahl to carry out gravimetric measurements. Auckland Island was reported to have a considerable population of cattle, pigs and goats, which must be survivors from the occupation of that island in the 60's and 70's of the last century.

There is now no French settlement at Adelie Land. Plans are on foot for the establishment of two permanent bases on the Antarctic continent in 1957, provided finance is then available which would appear to depend largely on the outcome of the War in Indo-China."

AUSTRALIAN WHALING COMMISSION.

The Australian Whaling Commission is at present well advanced in its preparations for the 1953 season, which commences in June.

Maintenance of the station at Babbage Island is in hand and can be completed within the time limits by the personnel retained for that purposes. The chasers are at present berthed at the Naval Jetty, Rockingham (Cockburn Sound) and minor maintenance work is being carried out there.

Nothing further has been heard of the reported plan of the Commonwealth Government to dispose of the Babbage Island station.

ANGLO-IRANIAN OIL CO'S REFINERY, KWINANA, COCKBURN SOUND.

The following progress has been made on works in connection with the above scheme :

- (A) Dredging. Both dredges of the H.A.M. Company are now working on the channel through the Laiks. Navigation lights in the channel are at present ^{being} erected.
- (B) Jetty. The 500-foot long rubble jetty to form the base of the main berthing jetty has been completed four weeks ahead of schedule. The main jetty will extend a further 1,700 feet.
- (C) Site, buildings and material. Clearing has been completed for the major portion of the site and a number of buildings, mainly connected with storage and construction equipment, have been completed. Local contractors are engaged and are operating on a very close schedule. Some of the material for construction has already arrived -- mainly steel plate for the tanks -- and twelve ships with additional material are scheduled to arrive at Fremantle before the end of March.

NORTHERN TERRITORY.

Main Wharf, Darwin.

The last vessel to use the Main Jetty, the Shell Company tanker "Bolma", sailed on the 7th February. The dismantling of the jetty is now well under way and all buildings have been removed. With the exception of the Boom Jetty, which is unsuitable at certain states of the tide, there is now only one useable jetty in Darwin -- the recently rebuilt Timber Jetty.

New Wharf, Darwin.

It is understood that the construction of a new permanent wharf has been approved and that work will commence in the near future. Mr. R. Carter, an official of the Department of Works, has arrived in Darwin to take charge of the work. It is understood that £150,000 worth of materials have already been ordered.

Bauxite - Arnhem Land.

The Australian Aluminium Production Commission has been granted a permit to prospect an area in the vicinity of Melville Bay on the Arnhem Land coast. The Commission are hopeful of finding bauxite deposits in this area.

This area is in the Arnhem Land Aboriginal Reserve, and the permit has been granted under the ordinance recently passed by the N.T. Legislative Council opening up aboriginal reserves for prospecting and mining.

Rum Jungle.

The Zinc Corporation have now formed a branch, entitled Territory Enterprises Ltd., (short title "T.E.P."), to develop and work Rum Jungle uranium field on behalf of the Government. The new company will have full control over operations and the Department of Supply will be responsible for security measures.

The Minister of Supply has announced that a 10-year agreement for sale to the U.S.A. of uranium from Rum Jungle has been signed in Washington.

It is reported that a complete uranium refining plant will be erected near Rum Jungle to process uranium ore into uranium oxide. The new plant is expected to be in operation early in 1954.

TERRITORY OF PAPUA · NEWGUINEA.

Establishment of an Army Outpost at Vanimo.

The Minister for the Army has announced that an Army outpost will be established at Vanimo, situated 18 miles East of the Dutch New Guinea border. The post will be manned by two European Officers, seven W.O's and N.C.O's, and 120 natives drawn from the Pacific Islands Regiment.

A section of the press wrongly credited the Minister for the Army with having stated that this action had been taken to prevent Indonesian infiltration into Papua-New Guinea. While, actually, the possibility of such infiltration is one of the main reasons for the establishment of the military post at Vanimo, it was anticipated that the Minister's reported statement might give offence to the Indonesian authorities, and this proved to be the case, exception to it being openly expressed by Mr. Sujarno, Vice-Chairman of the Foreign Affairs Committee of the Indonesian Parliament. The Department of External Affairs later instructed the Australian Ambassador to Indonesia to correct the unfortunate impression which had been created.

The Patrol Officer, Vanimo (who is a member of the Coast-Watching Organisation), visited M.I.D. Melbourne recently and stated that so far no Indonesians had been seen in the area and that the Dutch Army authorities at Hollandia have been active in sending out patrols in the area extending from Hollandia to the frontier.

An Administration patrol post was recently established at Green River, which lies between Vanimo and the boundary with Dutch New Guinea.

Copra.

There have been adverse reports from the United Kingdom on the quality of the copra at present being produced in Papua-New Guinea.

To effect an improvement, an Inspection Ordinance which provides for the appointment of Inspectors has now been passed.

Before the War the copra in New Guinea dehydrated by the 'hot air' process was regarded as being of the highest quality.

Coconut insect pests have been destroying 10,000 adult palms annually and 80 per cent of newly-planted palms.

Port Facilities at Rabaul.

The present wharf facilities for overseas ships calling at Rabaul comprise a cube pontoon wharf which is rapidly deteriorating, and it will be at least two years before the proposed new wharf will be constructed.

A sum of £2,700 was recently voted for urgent repairs to the present cube pontoon wharf, but this is considered inadequate. At present the Wharf has only one approach, due to the sinking of one pontoon approach, but pontoon cubes are available to effect repairs when the shipping position eases.

DUTCH NEW GUINEA,

Governor Resigns.

It has been announced from The Hague that the Governor of Dutch New Guinea, Mr. Van Waardenburg, will end his term of office at his own request on 1st April, 1953. His successor will be Dr. van Baals, a member of the Anti-Revolutionary Party, which strongly supports the retention of Dutch New Guinea by the Netherlands.

Dutch Troops.

It is reported that Aquilla Airways, who normally operate a service between the British Isles and the Canary Islands, are about to operate a service from Holland to Dutch New Guinea. It is anticipated that this service will carry 50 fully-armed troops on each trip. Present indications are that there will be one trip every three weeks and the service will last approximately one year.

Tentative proposals are for Darwin to be used as a refuelling point on these trips.

NEW CALEDONIA.

Conseil General.

As a result of the elections held on 8th February, the following is the composition of the new Conseil General, which consists of 25 members:

Leftist and Pro-Native, led by M. Lenormand (includes 9 natives)	15
Rightist (led by M. Bonneaud)	8
Others	2

M. Lenormand represents New Caledonia in the French Chamber of Deputies.

The Act providing for the new Constitution of New Caledonia was passed in the French Parliament in 1961. Under this Act 9 members of the Conseil General are to be natives.

The three de Gaullist candidates who stood for election to the Conseil General were all defeated.

S.S. "NGAKUTA".

In A. S. I. S. No. 7 (Page 19) it was reported that the former Union Steamship Company vessel "NGAKUTA" (1,175 tons) had arrived in Noumea on 2nd August under tow by the Chinese Nationalist vessel WAN YUI (an L.S.T.). The vessel was being re-sold to Japanese interests and was awaiting a crew to take her to Japan.

Among those who joined the ship at Noumea was Sir Robert G. Lynch-Blosse, Bart., who flew from Sydney to take up the appointment of 2nd Officer and who has now returned to Australia. Apparently Sir Robert Lynch-Blosse served with the R.N. during the war and in 1949 attained the rank of Lieutenant-Commander.

In a statement to the Press, Sir Robert Lynch-Blosse described the voyage of "NGAKUTA" from Noumea to Japan as a "nightmare". The vessel had taken on a crew consisting of Frenchmen, Chinese and Indonesians, and her supply of fresh water ran out. She sailed from Noumea without a proper clearance, and on her arrival in Japan her papers and articles were impounded by the British Embassy. Sir Robert Lynch-Blosse has complained that the United Kingdom officials in Tokyo had illegally charged him (and also the 3rd Engineer of the vessel) with having aided and abetted the unlawful sailing of "NGAKUTA" from Noumea, and, according to the press, he has made representations in this matter to the High Commissioner for the United Kingdom in Australia.

SHIPPING INFORMATION.

Sale of Union S.S. Co's Vessel, "KORANUI".

The interstate freighter "KORANUI" has been sold by the Union Steam Ship Company of New Zealand Ltd., to Mr. S.P. Bell, the Australian representative of Henderson, Trippe, of Manila.

The vessel was sold for £10,000 and will be resold as scrap in Japan.

Formerly the "CLEOPATRA", the "KORANUI" was built in Lubeck, Germany, in 1914.

Austasia Shipping Company.

A new shipping line, the Austasia Shipping Company, is now about to commence trading between Australia, Singapore and Indonesia.

The Line will be operated as an offshoot to the Blue Star Line, owned by Frederick Leyland and Co. Ltd., of Liverpool, England, and will be managed in Australia by the Blue Star Line (Aust.) Pty. Ltd.

It is reported that the service will eventually be operated with three vessels, the first being the 4,300-ton "MALAY" launched on 4th October, 1952.

Colouring of the vessels of this Line will be black hull, white superstructure; funnel, white with black top and black "A" on the sides.

New Tankers.

Two new tankers are to be added to the Australian merchant fleet. One, the "HAROLD SLEIGH", has been launched and the other will be launched shortly.

The "HAROLD SLEIGH", a 13,000-ton tanker, built for H. C. Sleigh & Co. is 460' x 61' and has a draught of 24 feet. She has 27 main cargo oil tanks and is capable of discharging 270 tons per hour.

The vessel's cargo capacity is four million gallons and she is expected to make six annual trips between Australia and the Persian Gulf.

The second tanker is being built for Ampol Petroleum Ltd.

Tug "Howard Smith".

The dispute between Howard Smith Ltd., and the Seamen's Union, which has kept the £200,000 tug, "HOWARD SMITH", idle for seven months, has ended and the tug is expected to go into service during April.

The tug is being converted to burn oil fuel by the Robson's Bay Dock and Engineering Co. Pty. Ltd.

SHIPPING ENTERED AT THE PORT OF MELBOURNE.

In 1952, for the first time in the history of the port of Melbourne the gross tonnage of shipping entered exceeded 15 million tons -- more than double the total of the first post-war year, 1946. This figure included a 10% increase in the volume of interstate shipping. More than 65% of the overseas ships were of British origin and 93% were motor vessels or oil burners.

The 2,431 shipping entries for the year comprised :

1,245 overseas ships	..	11,611,180 tons
1,152 interstate ships	..	8,539,595 tons
84 intrastate ships	..	22,482 tons

M.V. PALANA back in Service.

The 11,000-ton P and O freighter "PALANA has resumed service after nearly two years in Sydney for repairs. (She grounded on a reef off Pine Peak Island, near Mackay, in January, 1951).

"PALANA left Australia in February with meat, butter, wool and general cargo for Mediterranean ports and the United Kingdom.

Unusual Ship for Shaw Savill Line.

A 20,000-ton passenger ship of unconventional design is being built for the Shaw Savill Line for its U.K.-Australia and New Zealand service.

The ship will not have cargo holds, unbroken passenger decks replacing cargo space.

Instead of being placed amidships, the engine-room will be aft. The engines will be twin-screw geared turbines capable of developing 20,000 S.H.P., sufficient to maintain a speed of 20 knots. The Yarrow-type boilers will burn oil under a balanced draught, and the air for combustion of the fuel will be heated by steam bled from the turbines instead of by exhaust gases.

Hull space for fresh water tanks has been reduced to a minimum and all fresh water consumed on board will be made by five Weir evaporators which will produce 300 tons of water a day distilled from seawater.

As she will not carry cargo, the vessel will be able to maintain strict sailing dates and her speed will allow four round voyages a year to be made between England, Australia and New Zealand on any of the routes via Suez, Capetown or Panama.

INTELLIGENCE OFFICERS IN H.M.A. SHIPS.

The following officers have been appointed to perform the duties of Intelligence Officers in H.M.A. Ships :

Lieutenant-Commander (O) B. H. Notley, R.N., H.M.A.S. VENGEANCE
 Lieutenant-Commander J. S. Austin, D.S.C., R.A.N., H.M.A.S. AUSTRALIA
 Lieutenant P. E. M. Holloway, R.A.N., H.M.A.S. TOBRUK
 Lieutenant G. E. Riley, D.F.C., R.A.N. H.M.A.S. SYDNEY
 Lieutenant R. B. Nunn, R.A.N., H.M.A.S. BATAAN

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SECTION IV

SPECIAL ARTICLES

(The Director of Naval Intelligence is not necessarily in agreement with the views expressed in Section IV of A.S.I.S.)

JAPANESE REARMAMENT.

Seven years ago Japan was defeated and disarmed; today she is concerned with the problem of her rearmament. This change in policy, although obviously desirable, will have its difficulties which fall mainly into three categories: economic, constitutional, and political.

Of these difficulties the political one has so far been the greatest, for before the election in America in November and the Japanese election in October it was difficult to arrive at any major change in policy. In Japan a firm decision on re-armament became election propaganda whilst the essential American Aid for Japan could not be guaranteed until after the U.S. Presidential election.

So far, the economic difficulty, although used for political purposes by the opponents of re-armament, has not in fact caused great concern since the Japanese have always anticipated adequate economic backing from the United States. More recent experience, however indicates that the United States will expect Japan to provide a certain amount of material to maintain American equipment which is only on loan for a limited period. This is far from the situation that Japan had anticipated, in which all necessary military equipment would be freely given by the United States.

The constitutional difficulty arises from the fact that the present law of the country bans forever the maintenance of land, sea or air forces. The Japanese are not at present in a mood to consider this dictate of occupation as binding, yet on the other hand they have not so far revised the constitution. The Japanese Liberal Party, which remained in power after the October general election, has approved a proposal to set up a committee to consider the need to revise the constitution. Nevertheless it is anticipated that the constitution will not be altered for some time, because in amending it Japan would lose some bargaining power with America.

Formation of National Safety Corps (N.S.C.)

Despite the political, economic and legal difficulties, much has been done in the past four months to lay the foundation of the Armed Services. The greatest single action was taken on 15th October, when the National Police Reserve

became the National Safety Corps, and a review of this new force was held in Tokio. The Prime Minister (Mr. Yoshida) who is also the Director-General of the National Safety Agency, inspected the parade, and in his address it is reported that he "inadvertently" omitted the word "not" from the part of his script which read "The corps is not an Army".

Before being re-named, the National Police Reserve consisted of 90,000 men equipped with machine guns, mortars, bazookas and small arms; in addition the Maritime Safety Force had about 75 minesweepers manned by 20,000 sailors. Thus the new National Safety Corps started with a total of 110,000 men, and already plans for arming them with more powerful weapons are being put into effect.

Re-arming of the N.S.C.

As the United States is the country primarily interested in the re-armament of Japan, and as she is in a better position to supply the necessary equipment, it is not surprising that American arms are already being provided in considerable quantities. The land equipment mainly consists of PERSHING (47-ton) and SHERMAN (27-ton) tanks, 155 m.m. and 105 m.m. howitzers and 75 m.m. and 57 m.m. bazookas.

The Maritime Safety Force is also receiving considerable assistance from America. Its strength of 75 Minesweepers is to be supported by the addition of 18 frigates, 50 landing craft and nearly 150 liaison and reconnaissance aircraft.

Formation of an Air Force.

So far the only air arm to be formed is that belonging to the Maritime Security Board. However, two Governmental Departments which are a pre-requisite of an independent Air Force have been constituted, namely one department which deals with Civil Aviation and another which is responsible for Japanese aircraft production.

The Aviation Deliberation Council, was formed some months ago, and already a number of Japanese civil aviation companies have applied to start services between Japan and North and South America, whilst some companies are already operating internal services and charter aircraft. The formation of civil airlines will be a considerable help in preparing for the re-birth of a Japanese Air Force, but the setting up of an Aircraft Production Committee is much more important. This committee is known as the Aircraft Production Deliberation Council and consists of 32 members. Its main task is to make a scientific study of production potential for the future construction of fighters and bombers in Japan.

Nearly as important as the manufacture of aircraft is the training of

skilled technicians for service aircraft. For many months United States Air Force Jet engines have been repaired and overhauled by Japanese technicians who have had ample opportunity of learning all the technical aspects of modern military aviation.

Plans for the Expansion of the Armed Forces.

It is planned to increase the strength of the N. S. C. from its present figure of 110,000 men to 180,000 by August, 1958. As might be expected, the representatives of the three services each want the largest share of men, money and material, and the latest information indicates that a defensive force of at least 300 fighter aircraft will be accepted. There has been talk of a force of 2,000 fighters and 700 bombers, but to form an efficient Air Force of this size within the planned period of three years would be a difficult task.

The three-year plan for the Army and Navy is to provide a standing force of 300,000 men, whilst the Navy is to form three squadrons, each consisting of one light cruiser and 32 destroyers.

Control of the National Safety Corps.

There is considerable rivalry for the command of the National Safety Corps between the civilians, who now have control under the Prime Minister, and the re-instated Army and Navy leaders, eager to regain their previous Military status. At present three-quarters of the field grade officers in the N. S. C. are former military officers whose general view is that the civilians can only be of use in clerical and office posts. As civilians are in the minority it can only be a matter of time before the Prime Minister's authority as head of the Corps is directly challenged.

It is fairly evident that for the time being the N. S. C. must rely to a great extent on the experience and ability of the re-instated military officers. However, some of these high-ranking officers argue that new officers must be trained as quickly as possible as leaders of the new Japanese force; this is because the re-instated Officers lack self-confidence and morale as a result of the loss of face by defeat in war. No doubt this is one of the reasons for the early establishment of a joint Naval and Army Staff College under the control of *KITAMURA TAKASHI*, who was at one time a Home Minister and subsequently chief of the *HYOGO KEN* construction department.

Conclusion.

Although plans for the re-arming of Japan present considerable difficulties, they are being used to a large extent as propaganda in an effort to secure as much aid from America as is possible. Despite this, much has been done to lay

the foundations of Japan's armed services, but their size and efficiency can at this stage be only conjectural, and time must elapse before a firm evaluation is possible.

SECRET

Transit List

This document is to be treated as "SECRET". It is to be passed by hand from Officer to Officer and finally returned to the Commanding Officer.

Name of Officer to be passed to	Initials of Officer read by, and date passed on