

SECRET

Australia Station Intelligence Summary



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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.S. AUSTRALIA.

AUSTRALIA (wearing the flag of the Flag Officer Commanding H.M.A.Fleet) paid a visit to the Barrier Reef during the last week in March. In April she visited Adelaide (16th-22nd) and Melbourne (24th-6th May). While in Port Phillip AUSTRALIA took part in exercises with BATAAN and ARUNTA. The three ships remained in Melbourne for the Coral Sea Week celebrations from 2nd-6th May. On 24th April AUSTRALIA's twenty-fifth birthday was fittingly celebrated by as many of the officers who had served in her who could be got together at a most enjoyable function on board.

H.M.A.S. SYDNEY.

SYDNEY, with the Anzac Coronation Contingent embarked, and H.M.N.Z.S. BLACK PRINCE sailed for the United Kingdom on 21st March, arriving at Portsmouth on 5th May. A description of the cruise is given in this issue of A.S.I.S.

H.M.A.S. VENGEANCE.

VENGEANCE remained in Sydney for leave and refit.

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

ANZAC carried out West Coast of Korea patrols during March and April. CONDAMINE sailed from Japan for Australia on 21st March via Hong Kong, where the ship's company was given a well-earned week's leave. She arrived at Sydney on 20th April. CULGOA left Sydney on 3rd March to relieve CONDAMINE and arrived

on the West Coast of Korea for her first patrol on 18th April.

H.M.A.S. TOBRUK.

TOBRUK has been in Sydney for leave and refit before sailing on 26th May for Korea to relieve ANZAC. She began working-up exercises at Jervis Bay on 18th May.

H.M.A. Ships BATAAN and ARUNTA.

BATAAN and ARUNTA carried out training between Sydney and Jervis Bay during March. In April they paid a 10-day visit to Hobart before joining AUSTRALIA in Melbourne for a fortnight's exercises in Port Phillip and Westernport.

H.M.A.S. SHOALHAVEN, MURCHISON and HAWKESBURY.

During March and most of April SHOALHAVEN and MURCHISON were engaged in training in the Sydney area. On 11th and 12th March they carried out exercises with H.M.N.Z.S. KANIERE, who was visiting Australia en route for the Far East Station. HAWKESBURY, on completion of her refit, sailed with the other frigates on 20th April for Brisbane for 10 days training.

H.M.A.S. MACQUARIE.

MACQUARIE, with SDML 1325 in tow, left Sydney on 8th April for Darwin for a 5-month's tour of duty in Northern waters. She will carry out training cruises around New Guinea, New Britain and the Solomons, and during Coronation week will visit Port Moresby. She commenced her first cruise to Masela Island and west towards Timor on 4th May.

TRAINING SHIPS.

H.M.A.S. FREMANTLE arrived in Fremantle on 8th March to assist MILDURA in Reserve and National Service Training in Western Australia.

JUNEE visited Tasmania in the last fortnight of April. After her midwinter leave and refit period she will sail for Fremantle to relieve MILDURA.

COWRA transferred to the operational control of F.O.I.C. E.A., for R.A.N.R. training on 6th March. During April she was employed in Queensland waters, and visited the Barrier Reef between 15th and 21st. She is to sail from Sydney for Williamstown on 13th May to commence paying off for refit and conversion prior to transferring to the Reserve Fleet.

Except for a visit to Hobart from 11th to 14th March GLADSTONE remained in the Melbourne-Westernport area.

WAGGA remained in Sydney during March and most of April. She arrived in Brisbane on 27th April to take part in the Coral Sea Week celebrations. COOTAMUNDRA joined WAGGA in Brisbane on 6th May. The two ships will carry out an R.A.N.R. training cruise to the Barrier Reef during May.

SURVEY SHIPS.

WARREGO, who had been engaged in survey duties in Bass Strait since early January, visited Launceston from 13th to 16th March for that city's Centenary Celebrations. Her duties in Bass Strait included the collection of data for a chart of Lady Barron Harbor. This was requested by the Tasmanian Government to assist shipping in removing primary produce grown on Lady Barron Island.

BARCOO, who was operating off Gabo Island, and

WARREGO completed their Hydrographic Instructions on 16th April and returned to Sydney for refits.

H.M.A.S. ADELAIDE's Relics.

The Minister for the Navy, Mr. McMahon, on 10th April, presented the ship's bell of H.M.A.S. ADELAIDE to the South Australia branch of the Ex-Navalmen's Association. It will be hung on a tripod in the assembly hall of the Naval Memorial House at Adelaide.

Mr. McMahon presented the ship's war room side-board of carved and polished maple to the Lord Mayor of Adelaide. It has been placed in the Adelaide City Council Chambers.

ADELAIDE was sold to a Port Kembla shipping firm in 1949 and broken up.

R.A.N. AIRCRAFT CARRIERS.

MELBOURNE, the R.A.N. light fleet carrier under construction in the United Kingdom, will be commissioned towards the end of 1954. The delay in her commissioning has been due partly to modifications that are being made to the carrier and partly to a lag in the United Kingdom's shipbuilding programme.

SYDNEY will also be modified in due course to enable her to operate Sea Venom and Gannet jet aircraft.

The De Havilland Sea Venom turbo-jet fighter is a two-seater day and night all-weather aircraft. The Fairey Gannet has a double Mamba turbine engine driving two propellers, and a wide cruising range which is increased when one engine is cut off. Unlike the Sea Fury and Firefly, the Gannet carries three men instead of two - a pilot, an observer and a crewman, who would act as a telegraphist and operate some of the equipment. Forty Gannets have been ordered for the R.A.N. and thirty are due to arrive in Australia in 1955.

UNIQUE NAVAL CHAPEL AT H.M.A.S. TARANGAU.

On 29th January a new Naval Chapel at H.M.A.S. TARANGAU (Manus) was dedicated to the Glory of God and in honour of St. Nicholas (the Patron Saint of children and seamen) by the Right Reverend Phillip Strong, M.A.; the Lord Bishop of New Guinea, assisted by the Reverend Patrick Helyer, A.L.C.D., Naval Chaplain to TARANGAU.

The Chapel stands on an elevated position overlooking Seeadler Harbour and is of unique construction, being timber-framed and fibro-sheeted. The nave, vestry and side chapel are re-erected Quonset huts. The interior is lined with masonite painted cream, and the beams are varnished. The floor consists of well-rolled shells and coral. The gable roof is 38 feet high, covered with sak sak (sago palm leaves) produced by the natives of Lagos Lutheran Mission, and thatched by Sepik natives employed by TARANGAU.

The Chapel was built by a Naval Works Unit assisted by labour from the Japanese War Criminals compound nearby. The wrought-iron fittings which help provide the chapel with a tasteful dignity were made by the Naval blacksmith.

Appointments.

Captain G.G.O. Gatacre, D.S.C.[†], R.A.N., has been appointed as Australian Naval Representative and Naval Attache, Washington, vice Captain F.N. Cook, D.S.C., R.A.N.

Captain S.H. Beattie, V.C., R.N. (Captain(F) First Frigate Squadron) has been appointed to QUADRANT in command on commissioning.

Commander W.F. Cook, R.A.N., has been appointed to RUSHCUTTER in command d.t.b.r. vice Commander I.K. Purvis, R.A.N.

Commander I.K. Purvis, R.A.N. has been appointed as Officer-in-Charge, T.A.S. School, d.t.b.r.

Commander E.J. Peel, D.S.C., R.A.N., will relieve Commander Cook as Naval Representative on the Joint Planning Staff, d.t.b.r.

Commander V.A.T. Ramage, R.A.N. has been appointed to HUON in command and as Resident Naval Officer, Tasmania, and as Recruiting Officer to date 1st May.

Commander F.D. Shaw, R.A.N. has been appointed to SHOALHAVEN in command to date 8th May.

Commander W.J. Dovers, D.S.C., R.A.N. has been appointed to ARUNTA in command, d.t.b.r.

Commander G.L. Cant, R.A.N. assumed command of TARANGAU on 26th March.

Commander I.H. McDonald, R.A.N. assumed command of TOBRUK on 23rd March.

Commander S.T.M. Gower, R.A.N. assumed command of PLATYPUS and was appointed Commanding Officer, Reserve Ships, on 13th March.

Acting Commander H.L. Gunn, D.S.C., R.A.N. assumed command of KUTTABUL on 25th March.

Lieutenant-Commander A.W. Savage, R.A.N. assumed command of MURCHISON on 11th April.

EXTRACTS FROM OR SUMMARIES OF REPORTS OF PROCEEDINGS.

Coronation Contingent's Cruise.

H.M.A.S. SYDNEY and H.M.N.Z.S. BLACK PRINCE, with the Australian and New Zealand Coronation Contingents on board, were named the "Anzac Squadron" - a fitting title for these ships during their voyage to the United Kingdom, as they are carrying Australians and New Zealanders who have served in three wars.

BLACK PRINCE rendezvoused with SYDNEY off Port Jackson on 21st March and both ships proceeded to Melbourne to embark the main body of the Australian Services' Coronation Contingent.

Vice-Admiral Sir John Collins, K.B.E., C.B.,

First Naval Member, addressed the ships' companies and the Contingent in SYDNEY on 24th March before their departure for Fremantle.

The squadron arrived in Fremantle on 29th March and sailed on the next day for Colombo. On 31st March the Squadron passed close to the position where the second SYDNEY sank the German raider "KORMORAN" on 19th November, 1941, and was herself lost with all her ship's company.

On 6th April eight Firefly aircraft flew off from SYDNEY to visit the Cocos Islands. They landed on the airstrip on West Island and remained for about an hour and a half. The crews were entertained to morning tea and taken for a bus ride around the island. In return they left magazines and supplies for the R.A.A.F. personnel and Civil Aviation Officers stationed at Cocos. While they were ashore the two ships of the Squadron steamed past the western coast of the islands at a distance of 4 miles. As the Squadron passed North Keeling Island, about 15 miles from the main Cocos group, the Fireflies returned and landed.

North Keeling Island was viewed with interest by those aboard SYDNEY as it was on this island that the German raider "EMDEN" was beached after an action with the first SYDNEY on 9th November, 1914. No trace could be seen of any remaining wreckage of the "EMDEN".

The first meeting of the Anzac Racing Club was held on the flight deck of SYDNEY on Saturday 4th April. The horses that took part were of a miniature breed with hard constitutions and long staying powers but they were, nevertheless, docile enough to let themselves be led up the track on a winding string. They and the officials of the Club provided plenty of fun for the large crowd of patrons from both ships.

SYDNEY's band provided music during the meeting in the hope that its refining influence would be felt by all who had skullduggery in mind, but its efforts were not wholly successful.

On 7th April King Neptune and his Court arrived on board SYDNEY as the Squadron crossed the equator. Full crossing-the-line ceremonies followed - much to the amusement of most, and to the chagrin of some.

The ships arrived at Colombo on 9th April and sailed on the next day for Aden, where they arrived on 16th April. The Squadron was piped into Aden by a R.N.Z.A.F. Warrant Officer, who stood on SYDNEY's flight deck on which the Contingent had fallen in and played "The Barren Rocks of Aden", "The Campbells are Coming" and other Scottish airs. He also played several Maori songs which he had adapted for the bag-pipes. He has now been removed from the critically injured list. He performed his task at the invitation of the Commanding Officer of SYDNEY who had heard him play at the Anzac Talent Quest two nights previously.

After passing through the Suez Canal and calling at Port Said the Anzac Squadron visited Tobruk on 23rd April for a ceremonial laying of wreaths at the Australian War Memorial in the Tobruk War Cemetery. A special armed guard of members of the three services of both Dominions was accompanied by SYDNEY's band. Aircraft from SYDNEY and No.78 Fighter Wing R.A.A.F. at Malta engaged in formation flying and a fly-past. The naval aircraft flew in the form of a letter "T", the colour patch of the Ninth Australian Division, and the R.A.A.F. planes in the form of a cross.

The ships arrived at Malta on 25th April, and at the entrance to the Grand Harbour SYDNEY saluted the flag of the Commander-in-Chief, Mediterranean (Admiral Lord Mountbatten). This salute was returned by a battery of the ancient and historic Fort St. Angelo.

SYDNEY and BLACK PRINCE had the honour of being inspected by the Commander-in-Chief, who, together with his Flag Officer and Air Force and Army officers, attended an Anzac Day church service in SYDNEY's Chapel, Admiral Lord Mountbatten reading the lesson.

Sailing from Malta on 27th April, the Squadron joined 11 ships of the Mediterranean Fleet for part of the passage to Gibraltar. During this cruise the ships engaged in realistic anti-submarine and anti-aircraft exercises directed by the C. in C. from his flagship, the aircraft carrier INDOMITABLE. Two of SYDNEY's Fireflies were specially commended for their skill in tracking submerged submarines. At the end of the exercises SYDNEY and BLACK PRINCE proceeded to Gibraltar, in company with INDOMITABLE.

The Squadron reached Gibraltar on 30th April and sailed next day for Portsmouth where it arrived to disembark the Contingent on 5th May.

ANZAC'S KOREAN EXPERIENCES.

Captain G.G.O. Gatacre, D.S.C.[#], R.A.N., handing over the command of ANZAC to Acting/Captain J.S. Mesley, D.S.C., R.A.N., on 7th April, made the following remarks on his experience of ANZAC's present tour of duty in Korea :

"It is with many regrets that I give up command of ANZAC. The ship has completed an unbroken period of over six months operational duty, during which she has spent more time in the "combat area". (i.e. the patrol areas on the Korean coasts north of the land fighting front) than any other British Commonwealth ship. Her ship's company has become a team-loyal, efficient, cheerful and with a tremendous pride and confidence in their ship. They have been tested by close action with the enemy and were not found wanting.

When ANZAC is relieved in June by TOBRUK her term of duty with the U.N. forces will have been nine months. For small ships this period is certainly long enough particularly if it includes the severe Korean winter.

As far as naval operations are concerned, the

Korean war may be termed somewhat 'phoney'. Nevertheless, ships engaging in it are kept operationally busy. The danger, excitement and strain of operating in the face of enemy air and submarine attacks, such as we experienced during World War II, so far remain but an ever-present threat. However, few will have had elsewhere the experience of being within the range of enemy guns as long and as often as most of our ships have been when engaged in normal inshore operations. The fact that the enemy does not always pull the trigger is a great consolation, but it does not remove the type of strain which accompanies this experience.

Severe winter conditions are always a hardship in small ships (with open bridges, no between-deck passages forward to aft, etc.), and the sea ice in the Chodo area during January and February did not improve matters.

The experience of having taken part in naval operations in Korea is invaluable for officers and men, providing excellent up-to-date operational training in many of the functions of naval forces in modern war."

KOREAN ICE CONDITIONS.

From January to March ice conditions off the West Coast of Korea, particularly near Haeju, Sokto and Chodo, greatly hampered navigation and operations.

In the Chodo area, where ANZAC served during late January, a large part of the ice field moved with the tidal streams, receding towards the Chinnampo River to the north with the flood-stream, and debouching from it with the ebb stream. Generally at slack high water the area was closely packed with ice.

At its seaward edge the ice field was composed of loose brash ice. Only a short distance in from the edge, however, large pancakes of ice were met and, even at a slow speed, gave nasty bumps. Recently some ships, remaining stationary for only a short time in such a field, became fixed in the ice. ANZAC, acting as O.T.C., West Coast and C.T.U. 95.1.2, decided that destroyers would not enter this ice area unless absolutely necessary.

At no time, however, was the ice field sufficiently solid to permit an on-foot enemy assault on Sokto or Chodo. The ice conditions also prohibited an enemy assault by sampans, junks or rubber boats.

ANZAC as O.T.C. WEST COAST, KOREA.

The Commanding Officer of ANZAC found his January experience of being C.T.U. 95.1.2 and O.T.C. West Coast (having 6 Task Units under his orders) a valuable one. His comment was :

"There is no difficulty attached to a destroyer fitted as a Squadron Leader carrying out these duties for a short period. The command task, so long as all goes well, is actually lighter than that of the local Task Unit Commander in the Sokto/Chodo area, where there is a more or less constant pressure of small domestic and minor operational matters and where the Unit Commander is in the local defence pattern and team, and is, indeed, the hub of it.

The principal burden of the duties of C.T.U. 95.1.2 in a destroyer falls on the W/T equipment and complement and on the crypto staff. There is no latitude for any breakdown and no space in the crypto office or Main Signal Office for any additional personnel. For a short period, however, a destroyer Squadron Leader, such as ANZAC, can compete with the situation, especially if the ship is not at the same time required to form part of the local Task Unit."

PRESENTATION TO CONDAMINE.

During her last patrol off West Korea before returning to Sydney, CONDAMINE was presented with a wrought silver bowl by Koreans on an island in the Haeju Gulf. The bowl, which was made locally, was presented as a token of gratitude for the clothing, toys and chocolates given to the 95 orphaned children on the island by CONDAMINE's ship's company.

WHO WON?

The ship's companies of SYDNEY, AUSTRALIA and TOBRUK took part in the Annual Naval sports meeting at Hobart on 10th February during their visit for the Hobart Regatta. The results of the meeting may be of interest to sporting readers.

SYDNEY, in her Reports of Proceedings supplies the following statistics:

"In the Naval events SYDNEY won from TOBRUK, but taking into account the cross-country race and the trans-Derwent swimming race, it was considered that TOBRUK was successful in defeating both the large ships - a very creditable performance."

AUSTRALIA in her Report of Proceedings reports:-

"The customary cross-country race was held at Elwick Racecourse and was won by AUSTRALIA's team, with TOBRUK second. In the Naval events of the regatta TOBRUK clearly earned the palm, with SYDNEY second and AUSTRALIA last. Some consolation was secured by AUSTRALIA filling the 1st. 2nd and 3rd places in the trans-Derwent swimming race."

In fairness to all we conclude that the result was a draw.

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SECTION II.

EXTERNAL INTELLIGENCE.U.S.S.R. IN THE FAR EAST.Submarine Training.

A recent report on Nakhodka shows that Soviet submarine training continues to be carried out at a high level of intensity.

KOREA.

Since the conclusion of an agreement between the Communists and the United Nations for the exchange of sick and wounded prisoners-of-war, hope that there may be an early end to the fighting in Korea has again been revived. Satisfactory performance of this exchange agreement could be taken to show that the Communists are sincere in their expressed desire to end the Korean War.

Formal truce talks which were recessed indefinitely in October last year have been resumed. A Chinese Communist proposal that prisoners-of-war not wishing to be repatriated should be placed in the charge of a neutral state until their ultimate status is determined is at present being discussed. If the delegates can agree upon a suitable neutral state willing to accept the large number of Chinese and North Koreans who do not wish to return to their countries, the last remaining obstacle to the conclusion of an armistice in Korea will have been removed.

Military Situation.

Probing attacks, raids and patrolling have been carried out by both sides but fighting has

lessened in intensity. From reports of activity in the rear areas of the Communist line it appears that a troop-rotation programme is in progress. The present line of contact in Korea on the Communist side is heavily fortified and constructed to a depth of about 25 miles. The enemy apparently consider that the United Nations forces may launch a major offensive in the near future as there are indications that the Communists are preparing to defend their present line at all costs. In the rear of this strongly-defended zone enemy forces are disposed to defend major terrain features so that little or no redistribution of forces would be necessary in the event of a United Nations breakthrough or the envelopment of some of the positions at present held by the Communists.

Although hampered to some extent by unfavourable weather, the United Nations Air forces have carried out attacks against supply and communications installations and troop concentrations.

United Nations Naval and Naval Air units have continued attacks against targets on both the East and West coasts of Korea.

JAPAN.

The Japanese Liberal Party led by Yoshida Shigeru obtained 199 seats in the recent general elections against 245 held in the last parliament. Now that the Liberal Party has lost its overall majority, although it still holds a greater number of seats than any other individual party, it is fairly certain that the new Government of Japan will be a coalition. Mr. Yoshida has already stated that he will take no part in a coalition government and it is unlikely that he would accept the Prime Ministership even if elected when Parliament convenes to elect the new Prime Minister on 18th May.

The Progressives, the Right and Left wing Socialists and the Hatoyama Liberals are committed in varying degrees to a more independent foreign policy and the Progressives and the Hatoyama Liberals favour a more positive approach to rearmament. These parties between them held 249 of the 466 seats and their influence is likely to be felt in any Government that may be formed whatever its composition.

The relative strengths of the parties in the new Parliament which in general shows a loss of Conservative strength and an increase in Socialist strength do not hold much promise that the new Government, when formed, will be very stable.

Repatriation of Japanese Nationals by China.

The repatriation of Japanese nationals to Japan by China continues in accordance with an agreement concluded between Japanese Communist Front organisations and the Chinese Communist Government over the head of the Japanese Government. Communist Front organisations in Japan have gained tremendous prestige in the country as a result of the conclusion of this agreement. No doubt a large proportion of the returning Japanese have been thoroughly indoctrinated by the Chinese and will probably swell the ranks of the Japanese Communist Party supporters.

Officer Ranks, Coastal Safety Forces.

The titles of officers of the Coastal Safety Force ("NAVY") have recently been changed. The new titles of rank together with their R.N. equivalents are as follows :-

R.N.RANK.C.S.F.RANK.

Vice-Admiral	Coastal Safety Superintendent
Rear-Admiral	Coastal Safety Vice- "
Captain	" " Senior Officer 1st Class
Commander	" " " " 2nd "
Lieut. Commander	" " " " 3rd "
Lieutenant	" " Officer 1st "
Lieutenant	" " " " 2nd "
Sub-Lieutenant	" " " " 3rd "

Arming of Coastguard Ships.

The Maritime Safety Agency proposes to arm 59 of its patrol boats.

The armament is to be as follows :-

<u>No. of Vessels.</u>	<u>Tonnage.</u>	<u>Armament.</u>
3	700	1-3" 2-20 M.M.
22	450	1-3" 1-20 M.M.
20	270	1-40 M.M.
14	180-300	1-4 M.M.

The M.S.A. is trying to purchase the guns from the United States.

It is believed that the weapons are primarily intended for use against their own fishing vessels in an endeavour to enforce the law. At present the M.S.A. craft have difficulty in intercepting the faster fishing craft.

Japanese Communist Party Maritime Activities.

The formation of a Maritime Committee by the Japanese Communist Party is seen as a move to strengthen its maritime activities organisation. It has been suggested also that not all fishing

vessels "seized" by the U.S.S.R. around Hokkaido are taken unwillingly. Some of these vessels may provide a link between the U.S.S.R. and the Japanese Communist Party.

CHINA.

It seems that public servants and minor officials in Communist China have once again lapsed into their old ways. There are signs that a new "anti-campaign" against them accusing them of waste, bureaucracy and corruption is building up.

Ex-K.M.T. Personnel in the Chinese Communist Armed Forces.

Ex-K.M.T. personnel, of whom there are substantial numbers and who have long been the backbone of the Chinese Communist Army, are now being weeded out. In dispensing with their services the Communists show that they now no longer need to rely upon this politically doubtful element to maintain their effective army strength. Another reason for this move might be the fear of some sort of political revival by ex-K.M.T. personnel within the armed forces.

Pendant Numbers on Chinese Communist Naval Vessels.

It is possible that the Chinese Communist Navy is using some system of pendant numbers on their ships but observations so far have not shown any particular pattern in their use.

FORMOSA.

Immediately following upon the American change of policy towards Formosa which removed the restriction on Chinese Nationalist attack on the mainland of China, the Nationalists concentrated their energies upon trying to persuade the Americans to give them active assistance in a move against the

mainland. As was expected, their efforts were unsuccessful and now there are indications that the Nationalists are beginning to realise their inability to return to the mainland of China.

INDO-CHINA.

The expected Viet Minh drive into Laos commenced early in April but was on a larger scale than was anticipated by the French. The primary objections of the Viet Minh in their drive appeared to be the traditional capital of Laos, Luang Prabang and the Plaine Des Jarres around Xieng Khuong.

The French are in the process of reinforcing Luang Prabang by air with the object of making a determined stand. However, the Viet Minh have bypassed the Capital and have moved towards the border of North-East Thailand. This manoeuvre was probably made to avoid a decisive encounter with French strength at Luang Prabang.

The season of heavy rains is due to begin at any time now but although Viet Minh lines of communications will be seriously extended, the rains may not greatly impede their movement by road and river. On the other hand the rains may more seriously embarrass the French who are dependent upon air support.

The Viet Minh have announced the formation of a "Free Government of Laos." This, in fact, may be the main political aim of Viet Minh in Laos for the present, but later developments might be connected with increased Free Thai activity in North-Eastern Thailand and the Thai Autonomous regime which was established in Yunnan in January this year.

Relationship between the Associated States of Indo-China and France.

The French Government has announced certain ad-

ministrative changes designed to improve co-operation between the three Associated States of Vietnam, Laos and Cambodia and France. A French High Commissioner is to be appointed to each of the three States and a Commissioner-General, charged with representing France in inter-state military, economic and cultural matters is to be appointed in addition. This arrangement, however, may not fully satisfy the States. According to reports one State at least, Cambodia, desires independence of the order of that of India and Pakistan within the British Commonwealth.

BURMA.

Evacuation of K.M.T. Troops.

It is understood that the United States, Formosa and Thailand are in the process of setting up a committee to work out ways and means of moving such of the K.M.T. personnel in Burma as volunteer for evacuation. The committee will start its work in Bangkok and move north later.

The presence and activity of K.M.T. troops in Burma have long been a cause of concern to the Burman Government. Recently criticism of the Burman Government by opposition parties in Burma for its handling of this problem caused Burma to complain to the United Nations against the presence of Chinese Nationalist troops on Burman soil. Following a debate of the question, the United Nations unanimously adopted a resolution condemning the presence of K.M.T. troops in Burma, which constituted a violation of the territory and sovereignty of that country, affirmed that the granting of any assistance to these troops was contrary to the Charter of the United Nations and called upon the K.M.T. troops to submit to disarmament and either to agree to internment or leave

Burma forthwith. It also recommended that negotiations in progress through the good offices of certain Member States should be continued in order to end the situation and urged all States to assist Burma. Although Burma supported the United Nations resolution, she does not seem to be fully satisfied because the Burman Foreign Minister is reported to have recently stated in Rangoon that his Government would brand Nationalist China as an aggressor and press for United Nations sanctions unless the K.M.T. troops were withdrawn from Burma by next September.

INDIA.

Communist Disturbances.

Communist-inspired incidents have become prevalent in North Central and Central India since the return of delegates from the Peking "Peace" Conference. The worst area is around Delhi, where mob violence has resulted in a number of deaths and much damage. Opposition members of Parliament, including the Communist M.P., S.P. Mookerjee, have been arrested following the disturbances.

Reports also state that the Communists have set up rival administrations paralleling the established Government in some places. These administrations are attempting to collect rents and revenue, trying cases and preventing people from seeking the protection of the law.

PAKISTAN.

Karachi Riots.

Although there is no direct evidence of Communist participation in the recent rioting of students in Karachi and Lahore, it is evident that the Communists will reap some propaganda value from

them.

The manner in which the Pakistan Government handled the situation has been adversely commented upon by the Inspector-General of Police, who claims that members of Parliament have been visiting injured students in hospital but have neglected to visit or otherwise enquire about the welfare of injured members of the Police Force. The granting of unconditional pardons to all those arrested has placed the Police in an untenable position and it is conceivable that the Police, already dissatisfied because of low pay and conditions, may refuse duty during any future outbreaks of rioting.

CEYLON.

Rice-Rubber Agreement with China.

The Ceylon Ministry of External Affairs has issued a statement commenting on U.S. criticism of the Five-Year trade agreement with China which was signed in December, 1952.

The Ministry states that the U.S. refused to purchase Ceylon's rubber at competitive prices and this forced the Government to look elsewhere for markets in order to safeguard the Island's economy. A general decline in world prices in 1952, together with the difficulty in securing overseas supplies of rice, had influenced the Government in favour of the long-term agreement with China. The rubber price guaranteed by China was in excess of the figure offered by the U.S.

Despite the agreement, the Ceylon Government re-affirmed its opposition to Communism along with the Western democracies but states that it cannot accept any policy which would sacrifice economic well-being for political expediency.

The Ministry further stated that it would be willing to sell its rubber elsewhere provided that its essential rice would be forthcoming. So far, China is the only country willing to supply rice in the quantities needed by Ceylon.

INDONESIA.

Secretary of Defence Resigns.

The resignation on April 10th of the Secretary of Defence in the Wilopo Cabinet, Ali Budiardjo, who shared the views of the Sultan of Djogjakarta on Army policy, indicates that the Government is not prepared to relax its pressure against moderates who support the Sultan.

Internal Security.

The internal security of Indonesia, particularly in West and Central Java, continues to deteriorate. Banditry is rife and the Army in its present turbulent state appears incapable of implementing the few decisions arrived at by the Government.

The Enabling Bill for General Elections was passed on 1st April but not before the introduction of 200 amendments. The elections were believed to have been set down for June but press reports state that they have now been postponed for a further six months.

It is believed that the Sultan of Djogjakarta is contemplating the formation of a political party to contest these elections when they are eventually held.

Indonesian-Australian Relations.

Improved relations between Indonesia and Australia following Indonesia's decision to enter

the Colombo Plan and Australia's prompt offer of economic and technical assistance, have led to the influential Masjumi paper, "Abadi", publishing an editorial suggesting that Australia might be prepared to send a Military Mission to Indonesia to replace the Dutch one which is due to leave at the end of this year.

This is the first significant press indication of the recent improvement as well as the first hint that an Australian Military Mission might be acceptable to the Indonesians.

PHILIPPINES.

Elections.

With June as the closing date for nominations for the Presidential elections to be held in November, it now appears certain that the two main contestants will be President Quirino (Liberal) and Mr. Magsaysay (Nationalist).

Mr. Magsaysay has now definitely accepted the Nationalist nomination and President Quirino has forced acceptance of himself as Liberal candidate despite moves to have him replaced.

It now appears certain that there will be some defections from the Liberal ranks to the Nationalists and this in turn will lessen Quirino's chances of being returned as President.

Charges of corruption against the Government have been given wide publicity in the hostile Philippines press, and the Economic Co-ordinator of the Liberal Party, Mr. Cuenco, has already resigned after alleging that all his efforts to expose corruption were blocked by Quirino.

The Government, in a belated attempt to rally its waning powers, has staged an all-out drive against the Huks after refusing to extend its limited cease-fire beyond February 3rd.

The object of this drive is to demonstrate by the capture of Huk leaders, that Magsaysay's presence is not necessary in order to suppress the Huks, but results so far have been far from satisfactory.

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SECTION III.

AUSTRALIA STATION INTELLIGENCE.JAPANESE TUNA FISHING VESSEL "KNI-7" - FISHING METHODS AT KANDRIAN (NEW BRITAIN).

The following are extracts from a report by S.O.(I), N.E.A., on the arrest and escort to Rabaul of Japanese Fishing Vessel KNI-7.

The Japanese were very perturbed by the possibility of their having to leave their fishing equipment behind, and permission was granted for them to recover their lines. Forty miles of line were recovered in 14 hours, during which time the vessel steamed at approximately 3 knots. These lines were valued at £2,000 and were of tarred cord with a wire trace.

Every man excepting the Fishing Commodore worked during the recovery process, and all were interchangeable. The Commodore was most particular about the condition of fish on the lines as the majority had been drowned on the hook and sharks had taken their toll. Most of the fish caught were between 50-100 pounds in weight and of the tuna variety. Bait used was a type of pilchard brought from Japan in boxes stored in the refrigerated hold, supplemented by lures of coloured feathers which are attached to bamboo poles when tuna are thick on the surface. When landed, the fish were immediately cleaned and placed in the refrigerated hold.

The vessel itself was fairly clean, but an odour was present similar to that of a fish market on a warm day. The Japanese stated that the South coast of New Britain (where the vessel was apprehended) was an excellent fishing ground.

The average age of the crew and the Captain's age was 25 years.

Particulars of the vessel :-

Length	...	100 feet
Beam	...	18 feet 6 inches
Speed	...	9½ knots
Fuel range	...	9,348 miles
Fresh water capacity		13 tons

It was noted that the vessel had no lifesaving equipment of any kind, and neither anchors had been rigged for some time, but were stowed in the fore-castle.

Excellent radio equipment was installed, but the radar carried was unserviceable.

The only navigational aids were a Steering Compass and Sextant.

UNDERWATER EXPLOSIONS - HERMIT AND NINIGO GROUPS.

Following a series of reports of underwater explosions from Coastwatchers based on Maron (Hermit Group) and Longan, (Ninigo Group) and reports of sightings of a crash boat type craft in the Ninigo Group, S.D.M.L. 1327, under command of Lieutenant R. Percy, R.A.N., sailed from Lombrum, on 19th February, to investigate.

The S.D.M.L. arrived at Maron on 20th February where contact was made with Coastwatcher McDougall, who supplied details of the explosions heard.

At 0856 hours on 21st February, whilst the S.D.M.L. was in position 1° 20' S 145° 6'E, a loud explosion, sharp but muffled, very similar to a depth-charge explosion, was heard to come from the direction of the northern reefs of the Hermit

Islands. No shock was felt and nothing was sighted. Shortly afterwards an unusual amount of spray lasting about twenty minutes, was observed near Peméi Island. On investigation nothing was found.

On the morning of 23rd February, the S.D.M.L. patrolled the northern reefs of Hermit Island. At 1215 Maron reported an unidentified craft steaming westward through Mono Channel. At 1305 hours the craft was sighted and identified as being a large lakatoi. The possibility of a fishing base on Peméi Island was investigated, but no sign of life was sighted.

On 24th February the S.D.M.L. proceeded to the Ninigo Group, where Mr. Morgan, a Coastwatcher, had reported the sighting, on 16th February, of a vessel similar to a R.A.A.F. crash-boat, but painted white, proceeding at high speed through the passage between Pelleluhu and Heina Islands. He had heard explosions during the last few months which seemed to occur in the directions of the Hermit Group.

Due to the coastwatchers frequent reports of sightings and explosions in the Ninigo and Hermit Groups between February and March, and following investigations by S.D.M.L. 1327, an air reconnaissance of the Western Islands was carried out by S.O. (I), N.E.A. in a Lincoln bomber (10 Squadron) on 28th March.

All islands in the area were subjected to a thorough search, producing a negative result.

JAPANESE PEARL-SHELL FISHING - ATTITUDE OF QUEENSLAND GOVERNMENT.

The Queensland Government is opposed to the possible return of Japanese operating in Queensland waters for Pearl-shell. Encouragement is to be given to Thursday Island natives by the institution

of a training school for native divers at Thursday Island to enable divers to operate in thirty to forty fathoms. The present operating depth is up to twelve fathoms.

Thursday Island Shell fishermen fear that the Japanese would force down the price of shell by gatheting up to fifty tons per boat as compared with the present local average of eleven tons. At the present time eleven tons per boat provides a good living at the current price, but if the price drops the project would be uneconomical and, as Thursday Island depends largely on pearl-shell fishing for its existence, it is feared that the town may become "another Cooktown" if this industry is taken over by the Japanese.

H.N.M.S. "SNELLIUS".

The new Netherlands survey ship H.N.M.S. "SNELLIUS" recently arrived in Melbourne from Hollandia (Dutch New Guinea) to undergo a refit at H.M.A. Naval Dockyard, Williamstown.

H.N.M.S. "SNELLIUS" has been specially constructed for survey work and is well equipped for this purpose. Efforts have been made to make the ship fireproof by the liberal use of aluminium and steel, and to make the ship suitable for working in tropical conditions by air-conditioning the main working spaces.

A superstructure is constructed amidships over which canvas is fitted to collect rain water; also there is a telescopic mast on top of which is attached a drum-shaped beacon. Three small survey boats and two small dredges attached to the ship take bearings on this beacon when engaged in survey duties.

The ship was completed on 4th February, 1952, and arrived at Hollandia in May, 1952. Surveys

have been made in various areas including Hollandia and Sorong. A sister ship named "LUYMES" is at present in Holland.

There are fourteen officers borne in a total complement of one hundred and ten. The officers, including the Commanding Officer (Commander J.J. Steensma, R.N.N.), can converse reasonably well in English, and have a knowledge of French and German.

VISIT OF NETHERLANDS FRIGATE "VANKINSBERGEN".

The Netherlands frigate "VAN KINSBERGEN", which recently underwent refit at Williamstown, arrived at Sydney on 8th March, 1953, to participate in Anti-Submarine Exercises with units of the Australian Fleet.

However, due to trouble experienced with the gyro compass, "VAN KINSBERGEN" remained in harbour for repairs and departed on 17th March for Hollandia direct.

NETHERLANDS NAVAL ATTACHE.

Commander T. Brunsting, R.N.N., has been appointed Netherlands Naval Attache for Australia in succession to Captain Goslings, R.N.N.

Commander Brunsting saw active service during World War II, commanding for a time a Netherlands Submarine. During 1944 he was attached to the Headquarters of the Royal Netherlands Navy in Australia at Melbourne.

ESTABLISHMENT BY C.A. PARSONS & CO. LTD. OF ELECTRICAL GENERATING PLANT AT WHYALLA.

C. A. Parsons & Co. Ltd., of Newcastle-on-Tyne, England, will establish a branch at Whyalla to manufacture electrical generating plant. The site

fronts the Whyalla-Port Augusta road and is opposite the Broken Hill Pty.Ltd. shipyards. Up to 100 men will be employed in the early stages.

Sir Claude Gibb, Managing Director of Parsons, stated that Whyalla was chosen as the site for the project because it had an excellent port, good power and water supply facilities; houses could be made available for key employees and there was greater labor stability in South Australia than in the other States.

Parsons have supplied the generating plant for the Osborne power house and are making the units for the new Port Augusta power house. The Whyalla plant will contribute about one-third of the work needed in the manufacture of power equipment and will assist in the speedy delivery of this machinery required for Australian power stations.

SHIPBUILDING AT WHYALLA.

The "IRON WYNDHAM", last of the four 12,500-ton ore carriers and sister ship to the "IRON YAMPI", "IRON DERBY" and "IRON KIMBERLY", completed her three-day trials in Spencer Gulf on 19th February, 1953. During the trials her average speed was 14.2 knots. She is fitted with the latest navigation instruments, including gyro compass, radar, echo-sounder and a course-recorder which keeps a graph record of the ship's passage. Captain J. W. Miles, Commodore of the Broken Hill Pty. Ltd. fleet, commands the vessel.

The "IRON WHYALLA", the first of four 10,000-ton dead-weight ore carriers and known as the Whyalla class, was launched at Whyalla on 31st March, 1953. The keel was laid in March, 1952, and it will take about another nine months to fit the ship out.

The launching was attended by the First Naval Member.

PROTESTS AGAINST USE OF CAMERAS BY JAPANESE SEAMEN.

Two Councils have recently protested over Japanese seamen using cameras while in port.

The Port Lincoln Council sought the advice of the Commonwealth Investigation Service to prevent seamen from the Japanese ship "SHINYU MARU" using cameras while they were ashore. The Commonwealth Investigation Service informed the Council that there are no restrictions preventing the use of cameras by Japanese seamen in unprohibited areas.

The Mayor visited the Captain of the "SHINYU MARU" and discussed the carrying of cameras by crew members, after two of the crew members had been braten up on their way back to the ship one night. The Captain then prohibited the use of cameras by his men for the remainder of the time the ship was at Port Lincoln.

The Wallaroo Council protested to the Minister of Defence after Japanese seamen from the "EIROKU MARU" were seen photographing the port and measuring the jetty. The Council was given the same information as that supplied to the Port Lincoln Council by the Commonwealth Investigation Service.

OIL SEARCH AT MARYBOROUGH, QUEENSLAND.

The Lucky Strike Drilling Company of Texas, U.S.A. has received authority from the Queensland Department of Mines to prospect for oil over an area of 6,300 square miles in the Maryborough district. A representative of this company has spent four months in the area and hopes to commence drilling operations shortly.

This representative has reported that the oil structures in the Maryborough area are better than those at Roma.

MT. ISA COPPER PRODUCTION.

Copper output is slowly increasing at Mt. Isa Mines following the completion of a new copper smelter. From 25 tons daily in the initial stages production has increased to 40 tons daily.

The Company has hopes of exporting copper to the United States during the first half of this year. The dollars earned by these means will offset dollar expenditure in copper supplies already imported by Australia from Canada, Britain and Rhodesia. At the present time, however, owing to a sudden reduction in Australian consumption, due to cancellation of public works, there is a surplus of copper in Australia.

Mt. Morgan, Mt. Lyell and Mt. Isa Mining Companies will export copper until the Australian demand becomes normal, after which copper will be refined at Port Kembla for local use.

NEW REFRIGERATED FISHING VESSEL.

A new 72 ft. diesel-powered refrigerated vessel has been built at Cairns at a cost of £20,000. The vessel is designed to carry six 16 ft. to 18 ft. diesel dories on deck and will act as mother-ship. There is 20 tons storage capacity for fish, and she will have a cruising speed of $8\frac{1}{2}$ knots with a range of 2,000 miles.

The vessel, named "TRADER HORN" has passed acceptance trials and will be placed into service shortly by the owners, Whittaker Bros.

MONDRAIN ISLAND - GUANO PROJECT.

According to press reports, a company has been registered in Perth with the object of working guano deposits on Mondrain Island, approximately 30 miles south of Esperance (Chart BA.2984). A first landing party, including a Kalgoorlie geologist and an

expert on earth-moving equipment, are undertaking investigations on the island.

The report states that more than a quarter of million tons of guano could be recovered. Phosphate content of tested samples is 26%, which is considerably in excess of that at present used. The area of Mondrain Island is 2,200 acres.

NORTHERN TERRITORY.

Uranium.

A new deposit of uranium has been discovered in the Edith River area.

Mineral Survey.

His Honour the Administrator, Mr. Wise, has made a statement to the effect that the area between Darwin and Katherine, in the opinion of expert geologists and the Director of Mines, is the most highly mineralised belt in Australia. A survey is at present being made to enable the N.T. Administration to present accurate data to Australian mining companies willing to invest large capital. The Bureau of Mineral Resources will establish a branch in Darwin to assist the N.T. Administration in the development of copper, silver lead and other minerals, as well as uranium.

M.V. "WARRINGAH".

It is reported that the Australian Shipping Board will operate M.V. "WARRINGAH" on the Eastern States run to Darwin. "WARRINGAH" was built in Newcastle and is a modified version of the "DENMAN" class of ship. She is a twin-screw ship with a speed of 11 knots and is capable of carrying 4,500 tons of cargo, but has no refrigerated space. It is understood that M.V. "WARRINGAH" will sail for

Darwin in mid-May.

Tele-Communications.

The former twice-daily radio schedules to the people of the outback have now been replaced by a daylight listening watch maintained by the Darwin Overseas Telecommunications Stations (V.I.D.) and a chain of Department of Civil Aviation stations throughout the Territory. The stations keep a listening watch for emergency medical and accident calls from daylight to dark and messages are immediately passed on to the nearest aerial ambulance and doctor. A team of radio experts is at the present time touring many stations in the Territory advising the station people how to get the best service from their two-way radio sets.

TERRITORY OF PAPUA-NEW GUINEA.

Visit of United Nations' Mission.

Seven members of the United Nations' Mission arrived at Port Moresby on 14th March, having flown from Nauru via the Marshall Islands.

The Mission later proceeded to Rabaul where they were met by the Administrator.

Lorengau Wharf.

The wharf at Lorengau (Manus) has deteriorated to such an extent that it can no longer be used with any degree of safety.

New Wharf at Rabaul.

A grant of £218,000 has been made to the Department of Works for the construction of a new wharf at Rabaul. The Department has already called tenders for the supply of steel pipes and headstocks for the wharf and a plentiful supply of cement and

steel is available.

Tenders for the construction of the wharf are expected to be called in the immediate future.

Airstrips.

Funds have been allocated to the Department of Works for the construction of an apron taxi-way and access road for the centre strip at Jackson's Field, Port Moresby. This centre strip is at present overgrown with grass.

Work is also to be commenced on the Yule Island airstrip, which when completed will be suitable for light aircraft and link Yule Island with Port Moresby. It is expected that Papuan Air Transport will inaugurate this service.

On completion of the reconditioning of the Buka airstrip, Qantas Empire Airways will inaugurate a weekly air service between Rabaul and Buka.

Timber Lease, Lae Area.

The Forestry Department has called tenders for a timber lease covering approximately 21,000 acres in the Busu River district, nine miles from Lae.

The lease is for ten year's duration and the successful tenderer will have the exclusive right to remove 70 million super feet of hardwoods.

The tenderer will have certain obligations to meet including the erection of a sawmill capable of handling the timber within a year of the issue of permit.

A substantial bridge across the Busu River to log the timber out of the block to Lae is also a requirement.

Eight million super feet of timber is to be cut and removed each year.

New Mission Launch for New Guinea.

A launch has been built in Brisbane by Norman Wright Shipyards for the Lutheran Mission. It will be used by the Mission for supplying missions in New Guinea and has been named "SIMBANG" after the site of the first Lutheran Mission in New Guinea.

The launch has a light displacement of 88 tons, a length (overall) of 82 ft., 20 ft. beam and a mean draught of 6 ft. 3 ins. Twin 114 H.P. Gardener diesel engines have been installed.

It has been designed to carry 60 tons of cargo and 80 natives. There is accommodation for 8 white passengers, and the crew of 12 natives.

The launch will normally be based at Rabaul.

DUTCH NEW GUINEA.

Development of Biak.

Details were recently reported from Hollandia of the proposed development of the island of Biak, off the north coast of Dutch New Guinea, which became a regular stopping place on the Royal Dutch Airlines route from Sydney to Amsterdam which was commenced in December, 1950.

Plans have been under way for some time for the construction of a \$180,000 hotel of forty-six twin bedrooms, dining room, bar etc. The contract was let to an Amsterdam firm which began construction in November, 1952. The building has been designed on prefabricated lines of materials which have been specially proofed against termites. A pumping plant will provide fresh water and a tennis court will provide exercise for passengers. It

is anticipated that the building will be completed by July, 1953.

Further improvements include the sealing of the 6,900 ft. airstrip with asphalt and construction of a hospital, post office and new terminal and radio buildings. Over fifty permanent houses for staff and government officials are to be built.

The Radio-Omroep-Nieuw Guinea, the government broadcasting service which is at present stationed at Sentani (near Hollandia), will be removed to Biak late in 1953. The new equipment being constructed at present will be twenty times as powerful as that now in use at Sentani.

New Governor.

Dr. Jan van Baal, at present a member of the Second Chamber of the Netherlands Parliament, has been appointed Governor of Netherlands New Guinea as from 1st April, 1953, in succession to Colonel van Waardenburg.

Dr. van Baal, a former Chairman of the Council for Native Education in Dutch New Guinea and formerly Chief of Native Affairs at the Department of Cultural Development, is well informed on Dutch New Guinea.

Dr. van Baal has been Netherlands expert on the Special Commission in connection with article 73 of the U.N.O. Charter at Lake Success.

PORTUGUESE TIMOR.

Visit to Dili of U.S. Air Attache, Djakarta.

The United States Air Attache to the U.S. Embassy at Djakarta (Lieut.-Col. Glenn Lester Todd) visited Dili in the Embassy aircraft on 29th March, 1953.

He was accompanied by three crew members.

During the visit he paid a short call at Baucau and on his return to Dili had a private interview with the Governor.

Baucau is situated near Salazaar Plateau on which there is an airstrip.

He left Dili after a stay of three days.

SHIPPING INFORMATION.

New Vessel for N.W. Service.

The Western Australian Government has announced that an order will be placed with the Australian Shipbuilding Board for a new ship for the North-West Service. The vessel will be of the "KABBARLI" type, with accommodation for 72 passengers as well as for general cargo. This ship will probably replace the M.V. "KOOLINDA", which is now 27 years old.

It has also been decided that the Government endeavour to purchase the cargo vessels "DORRIGO" and "DULVERTON". These two ships have been on the North-West service under charter for several years.

Australian Shipping Board's new vessel "BOONAROO".

The "B" class freighter "BOONAROO" was launched on March 28th at Mort's Dock and Engineering Co. Ltd.'s Woolwich shipyards. This is the largest ship to be built by this firm. "BOONAROO" - an aboriginal name for the mulga tree - has been built to the design of the Australian Shipbuilding Board for the Australian Shipping Board.

Of 6,500 tons, "BOONAROO" is a single-screw motor vessel powered by Doford diesel engines, also built in Australia with a cruising speed of 13 knots. She is 405 feet 2 inches long and has a breadth of 53 feet.

Australian Shipping Board's new vessel "WARRINGA".

On 17th March, the State Dockyard, Newcastle, launched its first D.A. Class ship.

Named "WARRINGA", this vessel is the first of two D.A. class ships built by the State Dockyard for the Australian Shipping Board.

These ships - 288 ft. long with a breadth of 46 ft. and 21 ft. 6 ins. depth - are modifications of the 'D' Class ships previously built at Newcastle, and will be propelled by a twin set of Mirriees diesel engines, constructed by Walkers Ltd., Maryborough, Queensland.

The ship was built under a new pre-fabrication method in which the State Dockyard leads Australian shipbuilding. She is of 80 per cent welded construction. This means she is the most completely pre-fabricated welded ship built in Australia.

INTELLIGENCE OFFICERS IN H.M.A. SHIPS.

Lieutenant J. Scott-Holland, R.A.N. has assumed the duties of Intelligence Officer in H.M.A.S. CULGOA.

Lieutenant-Commander D.H.D. Smyth, R.A.N. has assumed the duties of Intelligence Officer in H.M.A.S. AUSTRALIA.

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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.).

CHINESE NATIONALIST NAVY.

The following article on the Chinese Nationalist Navy is reproduced from the Service and Political Intelligence Notes prepared by the Chief Staff Officer (Intelligence), Far East :-

The Chinese Nationalist Navy, which escaped to Formosa when the mainland fell, is by Asian standards a fairly well disciplined and efficient force, but by Western standards only mediocre. It has, since 1946, been an independent service, but like the Nationalist Army and Air Force, it is virtually dependent on American Aid for supplies, spare parts and ammunition.

The Nationalist Navy has fairly large repair facilities at Keelung, where it has its own dock and also access to the Taiwan Commercial Shipyard. The two floating docks at Kaohseung are in constant use and there are naval yards at Tsoying, Makung (Pescadores) and a small naval repair establishment at Tamsui. There are, however, no facilities for major destroyer refits in Formosa - which are essential in order to maintain operational standards.

Under American Aid the two destroyers T'AI K'ANG (Ex U.S.S. WYFFELS) and T'AI P'ING (Ex U.S.S. DECKER) arrived in Japan in the latter half of last year to undergo refits, to be paid for out of M.S.A. funds. These two vessels were the first Chinese Nationalist naval ships to undergo a refit abroad since the fall of the mainland. Repairs are taking longer than was expected and therefore costing more money and are an irritation to the Nationalists who have to budget their M.S.A. funds carefully. The remaining four ex-U.S. D.E.'s are scheduled to have similar refits in Japan on M.S.A. funds.

longer than was expected and therefore costing more money and are an irritation to the Nationalists who have to budget their M.S.A. funds carefully. The remaining four ex-U.S. D.E.'s are scheduled to have similar refits in Japan on M.S.A. funds.

The Nationalists are also keen to have the ex-Japanese ships refitted in Japan, for, although they have to some extent been modernised, they are not really reliable fighting units. U.S. approval for these repairs is very unlikely as the Americans consider this an uneconomical proposition. It is, however, possible that the Nationalists will go ahead and arrange for the refitting of these ships in Japan and pay themselves, as a large percentage of the exports from Formosa go to Japan and payment could be arranged in kind.

The TAN YANG (ex-Japanese YUKIKAZE) is being armed and refitted in Formosa by the Nationalists at their own expense. She recently moved from Tsoying to Keelung in order to be present at General Chiang Kai Shek's birthday celebrations. TAN YANG has only one boiler in use. She is armed with 4.7" guns, but it is reported that it is the intention of the Nationalists to re-arm her with 5" and 4" guns, which may be undertaken before the completion of her refit which is expected to be in the latter half of 1953.

Sea Training, which is largely carried out at Kaohseung, is very inadequate and consists of simple surface A.A. and bombardment firing and elementary manoeuvring. However, improvements have been made under the supervision of American advisers. Due to the static operational demand in the defence of Formosa and the Nationalist-held Islands, the Chinese Nationalist Navy has largely lost its mobility and it is considered that at present the Navy would be incapable of carrying out any co-ordinated manoeuvres should the occasion arise.

Emphasis has been laid on Amphibious training and although carried out with no enemy opposition, the standard of training has reached a fairly high level. Various exercises have been staged for visiting V.I.P's which have been most realistic and now form one of the Nationalists show-pieces for these occasions.

Last year the Navy concentrated on the defence of the Nationalist-held islands off the China mainland, which are not guaranteed by the American Presidential directive. Towards the latter half 1952 increased emphasis was also laid on the blockade of Chinese Communist ports, particularly in the area around Foochow. Many British Flag Merchant Ships have been apprehended and taken to the Nationalist Islands where they have been detained and in many instances their cargoes confiscated. The Nationalists have on numerous occasions, to suit their own purposes, blamed guerillas for this, but it is obvious that they are controlled to a very large extent from Formosa. Many of these "guerillas" wear Nationalist uniforms.

The Navy has also supported raids on the Chinese Mainland and on Communist-held Islands. There have also been a number of skirmishes off the mainland coast, and in all these activities the Nationalist Navy has on the whole not shown up too badly. On the other hand it has not had to face any really stiff opposition, either surface or air.

If interest is to be kept alive, active operations, adequate training and continued American aid must be given to the Chinese Nationalist Navy. Only then can it continue to maintain and improve on its present standard in support of the defence of Formosa and the Nationalist-held Islands.

THE YUGOSLAV-GREEK-TURKISH ALLIANCE.

The recent visit to England of the Yugoslav President, Marshal Tito, gains added significance from developments in Yugoslavia's relations with other Western Powers. Outstandingly the most important of these developments so far, is her recent signing of a "treaty of friendship and collaboration" with Turkey and Greece. The terms of this treaty provide for permanent contact between the General Commands of the three signatories and maximum integration of forces, with the assurance of immediate assistance in the event of an act of aggression against one of the states. So that in character this alliance is very like a defence pact, while it does not conflict with obligations of the participants to other organisations.

Thus a virtual Balkans Alliance has been created by these States, which, as frontiers of all three adjoin, form a large, solid land mass on the south-eastern flank of Europe and adjacent to the rich industrial south of the Soviet Union. It was to prevent an alliance of this nature that Stalin initiated his policy of "divide and rule" in the Balkans, rejecting the British suggestion that a Confederation of Danubian States should be formed (and thus creating the situation which brought about the present alliance.)

Spokesmen for Turkey, Greece and Yugoslavia express confidence that this alliance will deter aggressive action against Europe. Russia would have to secure her southern flank before striking at Europe (as Hitler had to secure the Balkans before launching his attack upon the Soviet), and this would necessitate great confidence in the dependability of the satellite states. When Greece and Turkey joined N.A.T.O., Russia was forced to give top-priority in defence preparation to Bulgaria, and increased her air defences in the Caucasus and Black Sea area. This priority will now have to be extended to Rumania and Hungary, as the Soviet can no longer gamble

on Yugoslavia's neutrality.

Yugoslavia's defection from the Soviet orbit had far-reaching effects upon other Communist-controlled countries in Europe. Closer vigilance by security police and purges (including purges within the local Communist parties) resulted. These have caused wide-spread fear and discontent and it is obvious that Russia can maintain her hold over the satellites only by continued threat and application of force.

Moreover, the internal upheaval which the Kremlin prophesied would take place in Yugoslavia has not eventuated. Instead Tito has made successful attempts to mollify the peasant population and the country is now solidly united against Russia.

The new Balkan Entente must have upsetting effects upon the satellites. An easy, concerted attack upon Yugoslavia by satellite forces is no longer likely, and Russia is denied the power to take disciplinary action against Tito without fear of a World War.

As a member of N.A.T.O., Turkey could, in the event of war, provide Western Powers with air bases from which attacks could be launched almost into the heart of the Soviet, and U.S. carriers in the Mediterranean could also direct attacks at vulnerable areas in southern Soviet states. Conversely supported in this manner by Western sea and air-power, Turkey, Greece and Yugoslavia could together prove a formidable barrier to attack from the Soviet or her satellites. Their importance to European defence is enhanced by the fact that despite the advances of science, Russia traditionally places great reliance upon terra firma and land forces, and is extremely sensitive about the approaches of the heart of the Union.

The Turkish and Greek desire for a unified line of defence along the Mediterranean is partly realised by the alliance, and their plans are further strength-

ened by the assured co-operation of Italy as a member of N.A.T.O. Italy's position is in turn strengthened by the alliance, and a clause has been included in the treaty to allow for the accession of other countries on an equal footing, thus providing an opening for Italy should she wish to join the alliance. But the co-operation of Italy in the Entente will be impossible so long as Yugoslavia and Italy continue to disagree over the status of Trieste.

Mediterranean countries and Russia are likely to regard the alignment as more than a phase in European defence. Turkey lies like a broad barrier between Russia and the Middle East, so that the alliance may not only weaken Russia's hold over the satellites, but gives added protection to the highly strategic Middle East area. It could well prepare the way for a common defence of the Near and Middle East nations. In achieving an alliance of this kind, Turkey and Greece could be extremely influential, as Greece, in particular, has long-standing friendly relations with Egypt and trade relations between Near and Middle East countries are being fostered.

OIL IN SOUTH EAST ASIA.

Indonesia and North Borneo are the only major oil-producing areas in the whole of the Far East. The importance of this oil to the Far East and Australasia has grown in recent years as the main alternative source of supply, the U.S.A., can no longer make shipments to the Far East on the pre-war scale, and most of the output of the Middle East is needed for Western Europe, India and Africa. Indonesia and Borneo therefore meet the oil requirements of all South East Asia and provide a surplus for export to Australasia, Japan and India. The potential strategic value of these supplies, however, is due more to their geographical location than to the quantities involved which are quite small in comparison with the production of the Middle East or America.

Most of the oil centres of South East Asia suffered considerable damage during the Japanese invasion, but in the more important oilfields of British Borneo and Indonesia (with the exception of North Sumatra) post-war rehabilitation was so rapid that by 1951 the maximum pre-war production of both crude and refined products had been surpassed.

Oil Production (in tons)

	<u>Crude</u>		<u>Refined</u>	
	<u>1938</u>	<u>1951</u>	<u>1938</u>	<u>1951</u>
Indonesia	7,281,000	7,570,000	6,082,000	8,954,000
Br. Borneo	895,000	5,150,000	677,000	1,925,000

Among the most important recent developments in the South East Asian oil industry are the opening-up of the Minas field in Central Sumatra, where production began in April, 1952; the restoration and expansion of the two large South Sumatran refineries at Pladju and Sungei Gerong; and the rebuilding of the refineries at Balikpapan - at which the 1951 throughput was 2.1 million tons - and at Lutong.

The main feature of the oil industry in British Borneo has been the seven-fold increase since 1938 in crude production from Seria in Brunei; the present output is 5.2 million tons. Drilling for oil a mile off the coast of Brunei is soon to begin in an endeavour to find an undersea extension of the Seria oilfield. The older field at Miri in Sarawak is producing only about 50,000 tons annually - less than a third of the prewar volume. The nearby refinery at Lutong has now been completely rebuilt and has a throughput of 2 million tons a year - twice the 1938 rate.

In Burma, however, rehabilitation of the oil industry has been seriously hindered by continued

internal unrest. In contrast to the progress made in Indonesia and British Borneo, the present crude oil output in Burma is only 100,000 tons a year, (10% of the pre-war rate); of the three pre-war refineries, only one, at Chauk, is now operating with a throughput of 100,000 tons a year.

This is only one-half of Burma's present needs, but restoration is being undertaken to increase the capacity.

Among the other countries of South East Asia, Malaya, Thailand and Indo-China produce neither crude nor refined products. The refinery at Bangkok was badly damaged during the war and all plant has been removed; some reports say this equipment was sent to Pladju in Sumatra. The Philippines produce no crude oil, but Caltex propose to build a new refinery of 750,000 tons annual capacity at Batangas to process crude oil from the company's Minas field in Central Sumatra.

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SECRET

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