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Australia Station Intelligence Summary



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S E C T I O N I.

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

H.M.A. Ships AUSTRALIA, VENGEANCE and ANZAC.

After taking part in the Trafalgar Day display at Garden Island Naval Dockyard on 24th October, AUSTRALIA, VENGEANCE and ANZAC visited Melbourne between 28th October and 6th November for the Melbourne Cup Week. The ships were open for public inspection and attracted thousands of visitors. Returning to the Jervis Bay area, they participated in the joint anti-submarine exercises from 7th to 10th November. VENGEANCE returned to Sydney on 11th November and ANZAC to Melbourne on 12th November for their mid-summer self-refits. AUSTRALIA will commence her refit on 30th November at Sydney.

H.M.A. Ships SYDNEY and BATAAN.

SYDNEY sailed from Sydney on 19th October for Korean waters to undertake her second tour of duty in the Far East. Sailing via Fremantle, she was accompanied by BATAAN as far as Singapore, where both ships arrived on 3rd November. SYDNEY sailed from Singapore for Sasebo via Hong Kong on 5th November. After arriving in Japan on 15th November SYDNEY was due to commence her first patrol off Korea on 23rd November. During the passage Nos. 805 and 850 Sea Fury fighter squadrons and No. 816 Firefly anti-submarine squadron, embarked in SYDNEY, engaged in frequent flying practice.

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BATAAN returned to Sydney from Singapore on 21st November to commence her 56-days' leave and refit period.

H.M.A.S. ARUNTA.

ARUNTA is at present undergoing refit at Sydney and will complete on 30th November.

H.M.A. Ships TOBRUK, MURCHISON and CULGOA.

TOBRUK continued her patrols off West Korea.

MURCHISON sailed from Sydney on 22nd October for Korea to relieve CULGOA, who has completed seven months' duty in Far Eastern waters. At Darwin MURCHISON embarked the new Australian Consul for Portuguese Timor, Lieutenant-Commander (Special Branch) F.J.A. Whittaker, R.A.N.V.R., who was landed at Dili to take up his appointment. Previously Lieutenant-Commander Whittaker was Assistant Staff Officer (Intelligence), Sydney. MURCHISON arrived in Hong Kong on 11th November to effect her takeover from CULGOA.

CULGOA sailed from Hong Kong on 19th November for Melbourne via Darwin, Brisbane and Sydney. She is due at Melbourne on 11th December to begin a refit before paying off into reserve.

H.M.A. Ships SHOALHAVEN and HAWKESBURY.

During October SHOALHAVEN kept a close watch on the activities of the Japanese Pearl Fleet, who were, for the second half of the month, confined to an area north of Cape Wessel.

After the Fleet sailed for Japan SHOALHAVEN paid a visit to Manus from 14th to 19th November, when she departed for Sydney via Rabaul with MSL 708 in tow. SHOALHAVEN was to have called at Port Moresby en route for Manus, but the visit was cancelled owing to an outbreak of influenza in the town.

HAWKESBURY sailed from Sydney on 18th November for Manus to take over Northern patrol duties from SHOALHAVEN. HAWKESBURY will be under the operational control of N.O.I.C., N.E.A.

H.M.A.S. QUADRANT.

During October and early November QUADRANT carried out training between Sydney and Jervis Bay in company with other ships of the First Frigate Squadron. On November 20th she sailed for Melbourne to undergo her mid-summer refit.

H.M.A.S. CONDAMINE.

During the first half of October CONDAMINE carried out a cruise in South East Australian waters, visiting Adelaide, Devonport and Melbourne. After participating in the AJASS exercises in early November she visited Melbourne between the 15th and 19th for gunnery firings in Port Phillip. CONDAMINE returned to Sydney on 21st November.

H.M.A.S. MACQUARIE.

MACQUARIE is paying off into reserve at Sydney.

H.M. Submarines TACTICIAN and TELEMACHUS.

TACTICIAN and TELEMACHUS acted as the "enemy" forces at the A.J.S.S. exercises 6th - 10th November.

TACTICIAN sailed from Sydney on 23rd November for Singapore for refit till June, 1954.

TRAINING SHIPS.

Except for short visits to Portland and Launceston in early November, GLADSTONE spent October and November in National Service and R.A.N.R. training between Westernport and Melbourne.

JUNEE and FREMANTLE carried out training during October and November in the Fremantle-Geraldton-Carnarvon area. In company with the Boom Working Vessel, KARANGI, they also paid a visit of inspection to the Montebellos during the second week in November.

WAGGA and COCTAMUNDRA's routine of training between Sydney and Jervis Bay was varied on 24th November, when they sailed for a 10-days' independent cruise to Hervey Bay and Brisbane with detachments of sea cadets from Scots College, Sydney, embarked.

SURVEY SHIPS.

BARCOO and WARREGO are in Sydney for leave and refit until 26th November.

H.M.N.Z.S. PUKAKI.

PUKAKI arrived in Sydney from New Zealand

on 2nd October for a short working-up period with H.M.A.Ships. She sailed from Sydney on 17th October for a tour of duty in Japanese and Korean waters. She is relieving H.M.N.Z.S. HAWEA.

H.M.A.S. RESERVE.

RESERVE, who has been in commission since 27th August, 1943, and has taken part in a large and varied number of towing operations on the Station, commenced paying off into reserve on 28th September and transferred to Dockyard control in Sydney on 19th October.

SPRIGHTLY, her sister ship, has been brought forward from reserve and was commissioned on 23rd November.

H.N.M.S. TERNATE.

H.N.M.S. TERNATE, based on Hollandia, sailed from Dutch New Guinea on 12th November for Melbourne, via Cairns and Sydney, for a refit at Williamstown Naval Dockyard commencing 7th December.

TERNATE (ex H.M.A.S. KALGOORLIE) is one of the eight Bathurst Class ocean minesweepers sold to the Dutch Government in 1946. Four of these vessels have since been transferred to the Indonesian Navy.

DISPOSAL OF OCEAN MINESWEEPERS.

The Commonwealth Government has approved of the disposal of twelve Bathurst Class minesweepers now in reserve. Eight vessels are at Fremantle and four at Melbourne and most have

been in reserve for some years.

The French mission which visited Australia in October were interested in purchasing four for use in Indo-China. As yet, however, no negotiations have been commenced.

JOINT NAVAL AND AIR FORCE ANTI-SUBMARINE EXERCISES.

H.M.A. Ships, together with R.A.N. and R.A.A.F. aircraft, took part in extensive anti-submarine exercises off Southern New South Wales between 6th and 10th November.

The ships were VENGEANCE (in which No. 808 Sea Fury fighter squadron and No. 817 Firefly anti-submarine squadron were embarked), AUSTRALIA, ANZAC, QUADRANT, HAWKESBURY, CONDAMINE, WAGGA and COOTAMUNDRA, and the submarines TACTICIAN and TELEMACHUS.

The R.A.A.F. aircraft comprised three long-range reconnaissance and anti-submarine Neptunes from No. 11 Squadron, Pearce, (W.A.), and three Lincolns from stations in Queensland. Two of the Lincolns - from No. 10 Squadron, Townsville - had been specially modified for maritime reconnaissance. Their fuselages had been lengthened by 6 ft. to accommodate special radar and electronic equipment and extra crew. The third Lincoln was from No. 82 Bomber Wing, Amberley.

The first 'attack' was by TELEMACHUS, in the vicinity of Gabo Island, against VENGEANCE, AUSTRALIA and ANZAC, who were en route from Melbourne for Jervis Bay to join the rest of the Fleet.

The R.A.A.F. aircraft made long reconnaissance sweeps and 'bombing' attacks over a wide area. One of the aircraft helped the submarines on their raids on the Fleet

TRAFALGAR DAY DISPLAYS.

Trafalgar Day was celebrated in Melbourne on 18th October at Como Park, South Yarra, and in Sydney on 24th October at H.M.A. Naval Dockyard, Garden Island.

Among the highlights of the display at Como Park was the spectacular and moving ceremony of "The Death of Nelson and the Victory of Trafalgar". Other items included firing by a Bofors gun crew, an exhibition by instructors from the physical training school at Flinders Naval Depot, marching by members of the W.R.A.N.S. and a field gun competition. The Flinders Naval Depot Band provided incidental music for various items. The salute was taken by the visiting Chief of the Imperial General Staff, Field Marshal Sir John Harding, G.C.B., C.B.E., D.S.O., M.C. The display was brought to a close by the colourful ceremony of "Sunset".

In Sydney, Garden Island Dockyard was opened to the public who saw the firing of a Squid and a series of "captive" torpedoes by ANZAC. These firings took place in Elizabeth Bay close to the shore of Garden Island. Other exhibitions included diving and surfacing drills by TELEMACHUS, a sea-air rescue exercise by a helicopter, demonstrations by naval divers and firefighters and a sailors' hornpipe danced by members of the W.R.A.N.S. Several H.M.A. Ships, including AUSTRALIA and VENGEANCE, were opened for public inspection.

NAVAL CONTROL OF SHIPPING EXERCISE -
"AUSTRALIA II".

An Australian-wide exercise in the defence of sea-borne trade along all routes to and from Australia was conducted by the R.A.N. between 19th and 23rd October.

Taking part in the exercise were 30 R.A.N.V.R. officers (Naval Control of Shipping Officers) consisting of 7 at Navy Office, Melbourne, and 23 at the capital city ports, as well as 34 Admiralty Reporting Officers at out-ports where there was no Naval Authority.

Willing co-operation was also received from the various Harbour officials who advised the reporting authorities concerned of the times of arrival and departure of vessels at their ports and who thus greatly contributed to the success of the exercise.

The Operations Room at Navy Office was equipped with a large plot of the Australia Station on which the positions of all merchant vessels were marked by small flags. The Naval Officer-in-Charge or Resident Naval Officer at each capital city port also maintained a map of his own particular area, on which the positions of vessels were similarly indicated. The number of vessels on the Navy Office plot averaged 100 per day, vessels under 1,000 tons and those on voyages of less than 12 hours not being plotted.

The information regarding expected arrivals and departures for every port on the Australia Station which was continually sent

by N.C.S.O.'s to Navy Office, together with details such as speed-of-advance and destination, was recorded on large boards on the walls of the Operations Room.

H.M.A. Ships and the Maritime Squadron of the R.A.A.F. also co-operated in the exercise. All ships sighted were reported and checked against the plots established ashore. This is one of the means by which the presence of enemy raiders could be discovered in wartime.

VISIT OF GOVERNOR-GENERAL TO NORTHERN TERRITORY.

During a visit to the Northern Territory in late August, His Excellency the Governor-General, Sir William Slim, paid a brief visit to H.M.A.S. MELVILLE and inspected the Ship's Company. He was taken for a flight in a R.A.A.F. Dakota over the Japanese Pearl Fishing Fleet and watched the activity aboard the luggers.

APPOINTMENTS.

Rear-Admiral R.R. Dowling, C.B.E., D.S.O., has been appointed Flag Officer Commanding Her Majesty's Australian Fleet, to date 17th December.

Captain A.W.R. McNicoll, R.A.N., Commanding Officer of H.M.A.S. AUSTRALIA, has been appointed Chief Staff Officer to F.O.C.A.F., to date 17th December.

Captain T.K. Morrison, O.B.E., D.S.C., R.A.N., will assume command of H.M.A.S. QUADRANT and the duties of Captain (F), First Frigate Squadron, on 4th February, 1954.

Captain G.R. Davis-Goff, D.S.C., R.N.Z.N., has assumed the duties of Royal New Zealand Naval Liaison Officer, Melbourne, vice Captain L.P. Bourke, D.S.C.*, R.D., R.N.Z.N.

Commander R.I. Peek, O.B.E., D.S.C., R.A.N., has been appointed to Navy Office as Deputy Chief of Naval Personnel and Director of Personal Services, in the rank of Acting-Captain, to date 2nd February, 1954.

Commander R.T. Power, R.A.N., assumed command of H.M.A.S. RUSHCUTTER on 29th September.

Commander G.T.B. Crabb, D.S.C., R.A.N., will assume the duties of Executive Officer of Flinders Naval Depot, d.t.b.r.

Commander W.B.M. Marks, D.S.C., R.A.N., will assume the duties of Executive Officer of H.M.A.S. ALBATROSS, d.t.b.r.

Lieutenant-Commander D.H.D. Smyth, R.A.N., assumed command of H.M.A.S. HAWKESBURY on 2nd November.

Lieutenant-Commander J. Ferguson, D.S.C., R.A.N., has been appointed to Navy Office as Assistant Director of Naval Intelligence, to date 24th December.

Lieutenant-Commander D.T. Kirkwood, R.A.N., assumed command of H.M.A.S. MACQUARIE on 22nd October.

Lieutenant-Commander L.N. Morison, RANVR., assumed command of H.M.A.S. SPRIGHTLY on her commissioning on 23rd November.

EXTRACTS FROM OR SUMMARIES OF REPORTS OF
PROCEEDINGS ETC.

MACQUARIE'S VISITS TO NORTH COAST MISSION
STATIONS.

During August MACQUARIE carried out a fortnight's cruise extending through the pearl-fishing area as far as the eastern limits of the North West Area in the Gulf of Carpentaria, visiting four of the remotely situated Mission Stations to supply teleradio equipment to Coastwatchers.

The following descriptions of life in the "aboriginal" country are taken from the Commanding Officer's Report of Proceedings:-

"The Methodist Mission Station on South Goulburn Island is very well laid out and cared for, cleanliness and orderliness being conspicuous features. Some 200 natives are looked after by the Mission. The Missionary has an assistant as well as a nursing sister and a school-teacher. Many tropical fruits and plants are grown and the station is self-supporting for vegetables. A large herd of goats guarantees a continuous milk supply, and there is a constant fresh water supply from wells."

"The Missionary at Yirrkala Mission Station, 22 miles to the east of Melville Bay, arrived in an antediluvian motor truck at 1115 on 11th August to meet MACQUARIE at the harbour. The Missionary, an ordained Fijian named Tanilla Lotu, said he had left Yirrkala at 0830, and this seemed to me a long time in which to travel 22 miles. He explained that this truck, which he had only

driven once before, had only two effective gears, a very doubtful footbrake, wheel wobble and a leaking radiator which required refilling every 6 or 7 miles. He seemed very nervous about driving it particularly over a rough track. I suggested that if I drove the truck we might be able to do more than 10 m.p.h. Mr. Lotu agreed to this proposal immediately, and I was soon to discover that all he had said about the vehicle was true. But the things he had not mentioned were : a quarter turn slack steering, no horn, no lights, no handbrake, nothing whatsoever on the dashboard and no petrol tank. The fuel consisted of a mixture of 100 octane aviation gasoline (70 percent) and kerosene (30 per cent) carried in a four gallon can on the front seat. This powerful mixture was sucked out through a thin lead pipe connected to the carburettor. The amazing thing about this truck was that it worked. From 3 to 6 cranks with the crank handle were required to start the engine, but once this was done all was well. There were some half-dozen really bad spots in the so-called road, but otherwise it was straight going and the journey was made in 1 hour 10 minutes, including stops on the way to refill the radiator from a 44-gallon drum on the back".

"At Groote Eylandt we were met by an Englishman named "Trader" --- who had been operating a trading station there since 1937. He received the teleradio equipment on behalf of the Missionary who was away in another part of the island, and then entertained us at his house. During afternoon tea a lone anthropologist wearing a coloured 'bikini' swim suit and smoking a corn-cob pipe appeared from nowhere. These two articles of adornment did not seem to go together.

There were two married couples staying at the station but their position in the scheme of things was somewhat obscure. Things in general seemed very untidy and everybody was in bare feet. Dozens of wretched natives filled the house and stood around the table, their body odour almost asphyxiating the special party at tea. It was, however, the common house fly which had complete control of everything. Thousands of flies swarmed through the house, settling thickly on everyone's back and arms....

After weighing anchor the ship was about to proceed when Trader ---'s lugger was observed heading towards the ship. The worthy trader arrived alongside and handed on board a large white turkey alive and kicking, a gift to the wardroom."

JAPANESE PEARL SHELL DIVING.

During her August patrol MACQUARIE visited the Japanese Pearling Fleet and provided this description of the pearl diving operations:-

"On this visit almost all luggers had four divers down at once instead of the usual three. They go down together and come up together as a rule, the period of submersion being about an hour. Quite often, however, they will surface within ten minutes, and this can only be taken as meaning that the shell is scarce or non-existent in that spot. No time is wasted in slipping berths. All luggers 'dive' continuously from dawn to dusk and, as far as can be judged, there are at least six divers on board each vessel.

The Japanese divers obviously do not

attach much importance to staging; most wear half suits although a few full suits have been seen, and in two luggers the helmet only was observed. This last method seems a most hazardous method of diving. The diver submerges with his head inside the helmet which has weights attached to keep it down. On reaching the seabed he 'ducks out' to collect shell, holding his breath, and on reaching the limit of his endurance swims back and puts his head in the helmet. This sounds feasible enough in theory but in practice would be quite another matter."

During this patrol a Japanese pearl diver was lost over-board from one of the luggers, KIYO MARU. A search was carried out but no trace of the body could be found.

HAWKESBURY'S VISIT TO NOUMEA.

During September HAWKESBURY paid a formal visit to Noumea on the occasion of the New Caledonian Centenary Celebrations.

En route from Sydney HAWKESBURY acted as radio control ship for the yachts taking part in the Sydney - Noumea Yacht Race, an event which opened the 1953-54 yachting season.

The start of the race was in perfect sailing weather, but a few days out from Sydney heavy seas and winds were experienced. The smallest of the six yachts, a 36-foot sloop, had the misfortune to lose her mast and returned to Sydney under jury rig.

On 24th September, the Centenary day, a ceremonial military review was held, and a detachment from HAWKESBURY was given the honour

of leading the parade. The smart appearance of the platoon and their precise weapon drill drew favourable comment from both military officers and general spectators.

After an enjoyable 5 days, which included several public ceremonies and entertainments, HAWKESBURY sailed for Sydney, assured that the people of Noumea who have little outside contact, always welcome the visit of an R.A.N. ship.

HAEJU GULF SITUATION.

Arriving on 16th October at Taeyonp'yong Do in the Haeju Gulf, the scene of many R.A.N. patrols prior to the Korean truce, the Commanding Officer of TOBRUK learned that North Koreans had been observed in the neighbouring islands (previously in Allied hands) to the north of Taeyonp'yong Do; that these islands were supposedly garrisoned, and that a 120 m.m. mortar was thought to be placed on Kalli Do. There was little activity elsewhere in their vicinity except for occasional night motor junk patrols.

Taeyonp'yong Do is a very desolate, rocky, and treeless island with very little tillable land. In addition to the garrison and some 3,000 inhabitants, there are over 10,000 refugees concentrated in a village covering an area of approximately half a square mile. The plight of these people is a sorry one, and, although they are supplied with a ration by the R.O.K. Government, they lose no opportunity of removing anything edible from the rocks and their women can be seen at the water in hundreds every low water during daylight. They do not appear under-nourished however. The Island

Defence Commander asks visiting ships to save all waste boxes and burnable material to supplement the villagers' inadequate winter fuel supply.

ASSISTANCE TO JAPANESE PEARLER.

While on patrol in the pearling fishing area off the Wessel Islands on 26th October, SHOALHAVEN took on board from one of the pearling luggers, a Japanese pearl diver suffering from acute appendicitis. A successful operation was performed by SHOALHAVEN's Medical Officer, who was assisted by a Japanese doctor from the mother ship. The patient was landed at Darwin for recuperation at the hospital.

EMU's ASSISTANCE TO "ILLAWARRA".

H.M.A. Diesel Tug "EMU", whilst on patrol in the Arafura Sea on 29th October, went to the assistance of the small motor vessel "ILLAWARRA", owned by Australian Aluminium Production Commission of Melbourne. "ILLAWARRA" was bound from Jensens Bay to Melville Bay with general cargo and had run aground on a reef near Cape Wessel.

"ILLAWARRA" was leaking slightly, but not dangerously, her rudder was missing and the cooling water manifold of the main engine was fractured.

"EMU" towed "ILLAWARRA" to Jensens Bay, where the cargo was discharged, and thence to Darwin for repairs.

SECTION II.

EXTERNAL INTELLIGENCE.U.S.S.R.M. Type II Submarines.

According to a recent reliable report, a Soviet M. Type II coastal submarine was sighted under tow off Leningrad. The vessel had had its gun removed and had been painted with red lead. It gave the appearance of being in reserve status.

This is the first indication that old coastal submarines of this class are being laid up in Soviet Western Fleet areas. Previously indications were that such vessels were kept in reserve status in the Soviet Far East Fleet.

In view of the considerable number of new submarines of post-war design which are being completed and put into commission in the Soviet Navy it seems likely that some of the oldest of the Soviet operational submarines will be laid-up both in the Soviet Western Fleet areas and in the Soviet Far East Fleet in the near future.

CHINA.

The minority peoples in North-West China are to have "autonomous governments by the end of 1954. The decision to set up these governments was recently announced in Chinese Communist official statements. The government which will administer the Sinkiang Autonomous Region will be the most important of those to be formed.

Its jurisdiction will apparently cover the whole of Sinkiang Province. Other governments will administer Autonomous Regions for the Hui (Chinese Moslem), Tibetan and Mongolian minority groups in the Kan-Su, Ning-hsia and Ch'ing-hai Provinces, but the exact location and extent of these proposed Autonomous Regions has not yet been announced. From the distribution of the minority groups within these Provinces it seems likely that a large part of them will come under "autonomous" governments which will probably exercise many of the local powers hitherto in the hands of the provincial authorities. The proposed "autonomous" minority governments, the national character of which is to be emphasized by the appointment of members of the minority to administrative posts and by using the minority tongues as the official languages, are not likely to interfere with effective control by the Central Government through the North-West Administration Committee and the respective provincial governments.

Attack on British M.L.1323.

The Chinese Communist Government has rejected the United Kingdom Government protest against the wanton shelling of M.L.1323 in the Pearl River Estuary on 9th September, 1953. In reply to the British protest note the Communists gave their version of the incident - which is at complete variance with the facts. Strangely enough, the Communists did not lay claim to ownership of the international waters in which the incident occurred. It has been noted that Chinese Communist warships are keeping well clear of this area during routine British sweeps.

Submarines at Tsingtao.

There is one, possibly two 'M' class submarines at Tsingtao but sightings have not been constant. Thus it seems likely that the submarine or submarines proceed to sea from time to time possibly on training exercises. Recently an 'M' class submarine was sighted entering Tsingtao harbour flying an ensign for the first time. The crew were judged to be Chinese but the ensign was not determined - except that it was red.

KOREA.Political Conference.

The deadline for the Political Conference has come and gone without agreement being reached. Communist insistence on the inclusion of neutrals being decided first and equal U.N. insistence that time and place for a Conference be first decided has been the stumbling block for the emissaries who have vainly tried to decide on an Agenda.

Prisoners-of-War.

The "loss of face" suffered by the Communists over the interviews of P's.O.W. is no doubt having its effect on Communist tactics in discussions on the Political Conference. The Communists cannot go to the Conference table with such a defeat apparent to the whole world, and Asia in particular, and because of this they are doing all in their power to stall the talks so that they can claim that they have not had an opportunity to interview all the P's.O.W. They will then

claim that the interviews were useless due to the machinations of the Western Powers.

So far, despite desperate efforts on the part of the Communists, less than 150 of approximately 10,000 prisoners have elected to return to their homeland, and, unless a change is made in the original decision, the remaining prisoners will be released with civilian status on January 24th 1954.

It is generally believed that despite Communist protests, this will be adhered to as there is a widespread fear that the prisoners will stage a break-out if the time is extended.

JAPAN.

Re-armament.

Since the joint statement was issued by Prime Minister Yoshida and the leader of the Progressive Party, Mr. Shigemitsu, agreeing to a long-term defence plan, it appears that the Government could now command sufficient support to undertake a successful referendum to alter the Constitution. This would mean that, if a referendum were successfully carried, Japan could build up her armed forces without limitation.

Despite this, it is believed that the build-up will be gradual as there is still considerable public antipathy to re-arming. Japanese Communists are again becoming troublesome and it is expected that they will throw every obstacle in the way of the Government implementing its plans.

They are making strenuous efforts to

infiltrate the Labour Unions again and so be in a position to do the most damage with the least risk to themselves.

Coastal Safety Force.

The gradual building-up of Japanese sea power is emphasised when it is realised that since August 1952, when the Coastal Safety Force officially came into being, the Japanese Navy has grown to 11 Frigates and 50 LSSL's provided by the U.S. and is now divided into Ship Divisions which will soon be incorporated into a Combined Fleet.

In addition to these vessels, 52 ships have been transferred from the Maritime Safety Board (Coastguard) to form 10 Minesweeping Units of the C.S.F. These are based throughout the Japanese home islands and organised as an integral part of the C.S.F.

INDO-CHINA.

French forces in the Delta area of Indo-China are believed to have inflicted heavy casualties on the Vietminh in two actions designed to throw the opposition off balance and prevent them mounting an offensive.

The thrust with paratroops directed at Laokay close to the Chinese border is reported to have been successful in destroying large quantities of vital Vietminh supplies and equipment, and another, designed to clear up infiltration within the French perimeter, has extended outward and led to the capture of Vietminh-held Lai Cac, from where the French are now reported to be planning a further offensive.

A large proportion of General Navarre's mobile reserves are reported to be in the vicinity of Hanoi in anticipation of a Vietminh thrust, but it is confidently expected that the initiative now rests firmly with the French.

THAILAND.

State of Emergency.

The Thai Government has declared a State of Emergency in its southern regions adjoining Malaya. This is believed to be because of terrorist infiltration over the border to rest and regroup. Thai Police Commandos have been drafted to the area and will act in conjunction with the Malayan Security Forces in harrassing these terrorists.

BURMA.

Developments in the Kuomintang Problem.

In recent weeks there has been a definite advance made in the negotiations concerning the future of KMT troops in Burma. On 17th September the Nationalist Chinese Government rejected a Burmese proposal that 5,000 KMT should be evacuated over a period of 35 days, and the Burmese delegate promptly withdrew from the conference which threatened to break down completely. However, the United States Ambassador to Thailand persuaded the Thai and Nationalist Chinese delegates to continue the talks, with the result that a plan was drawn up providing for the evacuation of from 1,500 to 2,000 KMT troops. Under pressure from the United States, Chiang Kai Shek ensured his full support for the operation on condition that the Burmese cease their

air-attacks in the Monghsat area during the evacuation.

The plan was signed by the U.S. Ambassador and the Thai and Nationalist Chinese representatives on 12th October, after Burma had agreed to cease air-operations but refused to be a signatory to the agreement.

The operation, limited by the agreement to 10 days, commenced on 9th November and the first batch of 204 troops were flown to Lampang airport in Thailand, from where they will be air-lifted to Formosa. But complications arose when it was discovered that the second batch included 38 Shan tribesmen! They had apparently been 'hired' by the Nationalist Chinese to bring the group up to the required strength as sufficient KMT volunteers were not forthcoming. Burma has demanded a thorough investigation into the matter and operations have been suspended until this is carried out.

The KMT question was to have been brought before the U.N. General Assembly in October, but discussion of the problem has been postponed indefinitely until the results of the current evacuation plan are known.

MALAYA.

The advances made in the anti-Communist campaign during the past twelve months have been accompanied by a revival of interest in elections and eventual self-government for the Federation of Malaya. There are naturally differences of opinion on these issues among the major political groups, but these are so far restricted mainly to timing and method.

The Government and the moderate Nationalist Conference group agree that the elections must be a gradual process working up from town and village council elections to general elections for a federal council. Elections have already been held in many towns and villages, with moderate success, and it is hoped that next year State elections can be held, commencing with Penang and Malacca. At the present rate of progress the Government regards it as physically impossible to start the machinery for federal elections before the end of 1955.

Although the National Conference agrees with the general terms of this programme, they want political reforms to be carried out before the elections are properly under way and are pressing for certain constitutional changes to be made during the interim period. They also urge the setting-up of a special committee to prepare a draft constitution before the elections.

The strongest criticism of Government policy comes from the M.C.A./U.M.N.O. Alliance, which has demanded that elections for a Federal Legislature be held no later than 1954. However, the Government hopes that the Alliance can be persuaded to accept the more conservative programme without much loss of face. The Alliance will probably constitute little actual opposition as the two groups forming the alliance are held together by their common election claims and have little or no general party policy.

A greater difficulty to be overcome is the general apathy of the community towards politics in general. This has been the main

drawback in holding local elections. Large sections of the community eligible to vote have failed to register, and many of those on the electoral rolls have not bothered to vote. The Government hopes, by working up gradually to federal elections, to encourage a greater political consciousness.

Other factors which threaten to present obstacles to the development of a self-governing community are, first, the communal nature of the Malayan population and the resultant dislike and suspicion of one race for the others, and, secondly, the natural opposition of the State rulers to being controlled by an elected majority.

Relations between Singapore and the Federation are also causing growing concern. The Colony and the Federation are an economic and social unit, and the High Commissioner, Mr. McDonald, and Sir Gerald Templer agree that greater political unity is essential. They strongly advise some kind of union. The main opposition to this view comes from the Federation Malays, who fear that a political union would enable the large Chinese community in Singapore to join with the Chinese in Malaya and usurp political power. An alternative suggestion, which finds little favour with the Government, comes from the Straits British Chinese Association, who are urging Penang and Malacca to break away from the Federation and form a union with Singapore. This group has very little support even in the Straits Settlements.

PAKISTAN.

On 2nd November the Pakistani Government

SECRET

declared Pakistan a Republic in accordance with a resolution passed by the Muslim League Council calling for a "sovereign independent republic". Although a provision calling for the complete severance of all ties with the "so-called family group of the British Commonwealth" was dropped from the resolution and Pakistan has decided to retain Commonwealth status, this change must affect her future relations with the Commonwealth and with Great Britain in particular. This step, which was taken despite Sir Winston Churchill's request that Pakistan postpone any such move until after Coronation year, gains added significance from the fact that Pakistan is showing an increasing interest in the affairs of Muslim countries, especially the Middle East, and her new title "the Islamic Republic of Pakistan" suggests that Pakistan intends to identify herself more closely with the Islamic world.

PHILIPPINES.

In the recent Philippine elections the Nacionalista Opposition defeated the Liberal Party with a majority of three to one. Magsaysay, the leader of the Nacionalistas, won the Presidency fight despite such Liberal intrigues as the importation of ink eradicators just before polling day in order to change the ballots. Carlos Garcia, Magsaysay's running mate, defeated the Liberal Vice-President, Jose Yulo, for the post.

Though threats of violence were exchanged and blood was spilt before the November Elections, only six deaths occurred on the day of the voting, and the general atmosphere was a great improvement on that of 1949.

FORMOSA.

Generalissimo Chiang Kai-Shek's entire Cabinet, including Premier Chen Cheng, resigned on 19th November. Unofficial sources in the capital attributed the action to disagreement between Chiang and his top Government leaders over new foreign policies laid down recently by the Kuomintang official Government Party.

This is the first challenge to Chiang's leadership of the Nationalist Chinese Government since Li Tsung-jen, while still in America, opposed, in March, 1950, the reinstatement of Chiang as President.

The Nationalists have also allegedly lost ground outside Formosa in recent weeks. The guerrillas have evacuated the Kue Shan (Chiu Shan) Islands (29 degs.25 mins.N; 122 degs.12 Mins E.), while it is reported that Tae Island (27 degs.00 mins. N; 120 degs. 43 minsE), was occupied by Communist troops on 16th September, and a few days before Spider Island (26 degs.30 min. N; 120 degs 02 mins E) was visited by a Communist Public Security Company.

Two hundred miles east of Formosa, the Chinese Nationalist forces recently intercepted and captured a satellite vessel for the first time. The ship, a Polish tanker, believed to be the "PRACA", was relieved of its cargo of 10,000 tons of kerosene. The guerrillas tried to justify their action by declaring that as the tanker had a Chinese Communist crew they were within their rights to detain it, and as its cargo was embarked at Hong Kong it belonged to them anyway.

INDONESIA.

Since Ali Sastroamidjojo's government came to power it has had to face two severe tests to its ability in handling disturbances caused by both the left and the right. In neither has it shown that decisiveness of action necessary to convince commentators that it is confident that it can command the support of the people.

In reply to the Central Arbitration Authority's decision to grant only a 20% increase in estate workers' wages instead of 150% increase demanded by their union, the Sarbupri (Communist-led Estate Workers' Union) recently brought out its "70,000" members on strike on all estates, except those owned by the Government as Indonesian-owned enterprises.

The Communists claim the result of the strike as a victory because their case is to be heard by the Court again. Before a further reviewing of the situation was possible, however, the Estate Workers had to fulfil the Government stipulation and produce new evidence, and, though reconsideration of a case is unusual in Indonesia, it is not unique.

The strike is interesting because it provides an opportunity to study Communist-Government relations. By declaring the strike illegal the Government showed its refusal to accept open coercion by the Communists' trade unions, but its 'kid-glove' handling of the estate workers showed that this refusal was not unconditional. Perhaps, too, it felt itself bound to support the decision of a previous administration for prestige reasons

and for fear of the effect on the economy of the estates lying idle.

The Communists, by their non-criticism of governmental methods in handling the strike, and their claim that these attacks were directed against the decision of a previous government, seem to indicate their desire to continue 'playing ball' with the Administration. Perhaps their hand was forced, however, by lack of funds and by the fact that the strike was not as effective as they hoped. Only 50% of the estate workers in Java and 30% in Sumatra stopped work.

The other test to the Government's skill is the rebellion which began recently in Atjeh, the most northerly district in Sumatra. It has an area of 21,000 square miles and a population of over a million, of which it is estimated 10,000 are actively participating in the revolt.

To understand the reason for this outbreak the historical background of the province must be taken into consideration. Before the Netherlands began their colonizing activities in the 17th century, the Achinese ruled a kingdom that extended far beyond their own borders. After the arrival of the Dutch they fought bitterly for independence and gained it to some extent, in fact if not in name. Pro-Dutch tyrannical petty rulers held sway in Achin at this period, but during the Japanese Occupation they were overthrown by Ulama's (religious leaders), whose power increased in 1945 when Japanese arms fell into their hands. Once more they waged war against the Dutch, this time as a part of a widespread struggle for independence. With the setting-up of Sjafruddin's Emergency Government

in the forests of Achin after the Second Police Action, it became the moral centre of the Revolution. After three and a half years' virtual independence, Javanese rule proved irksome to the Achinese.

The revolt, which was timed to coincide with Sports Week in Medan, began on 19th September with an attack on Lho Seumawe. It was inspired by traditional separatist tendencies, local patriotism being offended by the Indonesian Government's neglect of old heroes; by religious sentiments, outraged by the garrisoning there of Christian Batak and ex-KNIL Javanese and Ambonese troops, and the believed pro-communist, anti-Muslim nature of the present government, in which the Masjumi Party is unrepresented; and by economic grievances, such as the check on the lucrative smuggling trade with Malaya, and the neglect of transport difficulties, which prevented the export of rice from the surplus area, while it is being imported.

Despite the proclamation of the leader, Teuku Daud Beureuh, that Atjeh has joined Kartosuwirjo's Darul Islam state, the revolt is believed to be local in character. The statement seems to have been made to frighten the Government by presenting it with the apparent solidarity of the rebellious forces. Japanese have been found among the dead, and it is thought that they may have been used as advisers. The Masjumi Party, despite its formal link with the Mohammedan Achinese, has no connection with the insurrection, which it deplures.

However, it is believed that the revolt cannot be put down without the co-operation of the Masjumi Party, and the Government, which is

in control of the Eastern coastal strip and pockets on the West coast, has been following a policy which will antagonise its members further. Abdul Hakim, Governor of Sumatra, has been made a scapegoat for the Atjeh Affair. He was replaced on October 6th by Amin Nasution, a former Governor of the area, who is described as 'non-party'. His dismissal has aroused the enmity of all Moslem groups in North Sumatra, including that of Nadhatul Ulama, who are represented in Cabinet.

Commentators fear that the situation in Atjeh will remain in a state of stabilised insecurity similar to that which exists in West Java.

The Government may also have to face a recurrence of dissension in the Army and Air Force Commands. A flare-up of the 17th October affair may occur if the Administration goes ahead with its plan to re-organise the Defence Ministry. This plan involves the dismissal of Major-General T.B. Simatupang, Chief of Staff of the Armed Forces, and the creation of three new Military territories at the expense of Colonel Simbolon, Commander of North Sumatra, and Colonel A.E. Kawilarang, Commander of West Java. This is thought to be a political move because these three men, who are all competent in their Commands, are the last of the supporters of the Sultan of Djogjakarta at the top level of the military organisation. It is believed that President Sukarno and radical members of the P.N.I. (Nationalist Party) have for a long time been trying to remove Simatupang from his position.

If such a plan is put into effect, it

is felt that troops in North Sumatra (Territory I) West Java, including Greater Djakarta, (Territory III), Central Java (Territory IV) and Regiment 21 in Borneo would support a coup, initiated by the junior officers.

The opposition to Commodore Suryadarma's administration of the Air Force, which was expressed a few months ago by Air Vice-Commodore Sujono's protest, seems to be widespread. It has been reported by a reliable observer that all but nineteen of the two hundred and forty operational officers have tendered their resignations. The Ministry of Defence, however, maintains that these men have not resigned but have asked to be relieved of the specific tasks that they now perform.

Suryadarma, who has been maintained in his post, mainly because he is a favorite of Soekarno's is resented by his officers because he has had no training as a pilot, has no technical insight, has surrounded himself with non-flyers and non-technicians, and because he has rapidly promoted unqualified officers, while more deserving ones get no recognition of their merits.

Last month a committee was set up consisting of the Minister of Defence, Kusumasamantri and the Chiefs of Staff of the Armed Services to consider the Air Force dispute, and the President has met the Chiefs of Staff presumably to discuss both the Army and Air Force problems. As yet, however, no decision satisfactory to all parties seems to have been reached.

SECTION III.

AUSTRALIA STATION INTELLIGENCE.OIL FUEL INSTALLATION, CAIRNS.

It has been reported that the two 8" automotive diesel lines at the seaward end of the Cairns Oil Fuel Installation are unserviceable. A recent inspection by the Assistant Overseer showed that several feet of the pipeline visible on the surface near Alligator Creek bridge were extensively corroded.

An urgent request for repairs has been made to the Works Department. It is considered that approximately 800 ft. of 8" line may need replacement.

Although the automotive diesel held in the installation (Nos.1 and 2 Tanks) is below suction level, the pipelines hold approximately 260 tons of this oil. Approximately 170 tons have been pumped back, following upon the discovery of leakages.

Nos.1 and 2 tanks require cleaning and it is proposed in due course that arrangements be made to "pump over" the oil at present below suction level in these tanks by improvising suction fittings.

OIL FUEL INSTALLATION, TOWNSVILLE.

Following upon a request from the Townsville Harbour Board for a supply of furnace fuel for use in its new suction dredger TOWNSVILLE, the Naval Board has approved the supply of up to 100 tons per month from the

Naval Oil Fuel Installation, Townsville, on a loan and replacement basis through the Shell Company.

This arrangement has been authorised for a period of twelve months, but it is suggested that the Townsville Harbour Board make arrangements for their own storage tank.

It is anticipated that this regular fuelling will be beneficial in providing tests of plant and keeping fuel lines clean.

BITUMEN PLANT FOR BRISBANE.

Bitumen Oil Refineries (Aust).Ltd. will establish a bitumen refinery on a 40-acre site at Hamilton.

Production of bitumen is expected to commence in 1955. No financial support will be given by the Queensland Government but orders will be placed for bitumen.

QUEENSLAND COAL FOR KOREA.

Following upon the mechanisation of the Collinsville State coal mine, the Queensland Government has commenced fulfilling the 100,000 tons coal order for Korea.

Delay in installation of mechanical equipment and strikes at the mine necessitated New South Wales coal being consigned to honour the contract, previously.

Now that the mine is mechanised, coal will be exported to Korea at the rate of 8,000 tons per month.

CALLIDE COALFIELD - GLADSTONE RAILWAY.

The 11 mile railway from the open-cut Callide coalfield to connect with the existing Callide Valley railway line to Rockhampton is almost completed.

This new line will enable coal to be railed from the mine, via Rockhampton, to Gladstone for export.

At present road haulage is used.

AMBERLEY AIRFIELD.

On 2nd October the first mile of a planned $1\frac{1}{2}$ mile special strip for jet aircraft was completed at the R.A.A.F. Station, Amberley.

The special construction consists of 18" of sand, 18" of metal and surfaced with $\frac{1}{2}$ " of bitumen. It has been designed to take the heaviest duty jet planes likely to be built in the future.

The strip is 150 ft. wide and is flanked on each side by a 425 ft. wide grass strip designed to cushion the impact of a crash-landing.

At each end of the main strip there will be constructed a wide concrete plate with a depth of 18". This has been designed to withstand the blast from jets awaiting take off.

The additional half mile is expected to be completed in April, 1954, when Canberra Jet Bombers will have replaced Lincoln Bombers of No.82 Wing.

OIL EXPLORATION, N.W. AUSTRALIA.

Drilling on the W.A. Petroleum Co's. site south of Learmonth commenced on 5th September.

The Company is prepared to continue drilling operations to a depth of at least 12,000 feet.

A unit of the English firm of Seismograph Service Ltd. which had been working in the Exmouth Gulf Area, has now proceeded to Derby and from there will go to the Merrima area, where the Freney Oil Co. have been searching. Intensive seismographical survey work will be carried out.

WHALING INDUSTRY, N.W. COAST.

The Australian Whaling Commission and the Cheyne Beach Whaling Company each completed its quota of 600 whales during the recent season.

The whales this season were not in so good condition as those caught last year, and consequently there will be a reduction in the oil yield.

Captain A. Juel-Jensen, of the Australian Whaling Commission's Catcher "CARNARVON" caught no less than 366 whales.

700 whales were caught by whalers operating from Moreton Island, Queensland.

DEPARTURE OF JAPANESE PEARLING FLEET.

The Japanese pearling fleet ceased their fishing operations in the Arafura Sea during the first week in November and sailed for Japan on the 9th.

By the end of October the fleet had exhausted the shell deposits in the 'exempt' area off the Wessel Islands, where they had been confined since the proclamation of the Pearl Fisheries Bill on October 12th. The Japanese crossed into Dutch New Guinea waters for a week's fishing before departing from Australian waters.

AUSTRALIAN PEACE CONVENTION.

The Australian Peace Convention was held at Sydney from 26th to 30th September, and attracted considerable support from the Communist Party and its organisations, as well as moderate support from non-Communists, although it was not an outstanding success.

The Communist Party, however, claimed the Convention to be an historic moment, and an event of great significance for all Australians who desire peace in the world. It would seem that the non-Communist sponsors of the Convention maintained control of it and issued a statement of findings, some aspects of which the Communist Party disagreed with and announced that on all other matters contained in the unanimous findings of the Convention, the Communist Party has a more far-reaching policy for which they will work.

The statement of findings by the Convention fell far short of current Communist Policy.

CRANE MANUFACTURE IN SYDNEY.

Australia's first mobile and fully rotary cranes will be produced at a new factory in Sydney next January. The cranes will be manufactured by Coles Cranes Ltd., a subsidiary of Steel & Co. Ltd., of Sunderland, England, the largest makers of mobile cranes in the British Commonwealth.

The Australian factory is being built at Bankstown on a $3\frac{1}{2}$ -acre site. Heavy machinery is being installed and tooling up is in progress to start production in January. Initially, two models would be produced, six and ten ton self-propelled cranes, both fully rotary and driven by diesel electric or petrol electric drive.

Ex-H.M.A.S. MARYBOROUGH.

Carr Enterprises Pty.Ltd. of Sydney, have purchased the former corvette MARYBOROUGH from a local Greek Syndicate (latterly the Australian Trading and Shipping Company, Sydney) for scrap. The price has not been disclosed, but unconfirmed information is that £3,000 was paid.

At the present time MARYBOROUGH is alongside Pinkenba Wharf, Brisbane River, awaiting breaking-up.

The Navigation Department will make representations to the owners to purchase direction-finding gear and it is expected that winches and other fittings will be purchased by Whale Products Ltd. at Tangalooma.

COASTAL RADIO FOR VICTORIAN FISHERMEN.

Permission for the erection of a limited scale coastal radio station at Apollo Bay has been granted by the Postmaster-General's Department.

This station is the third to be erected in Victoria, the other two being situated at Port Albert and Port Fairy. An additional station is likely to be set up on King Island and also one at Stanley (Tasmania).

By this means continuous ship-to-shore contact will be maintained by fishing vessels operating in Bass Strait.

NEW PILOT VESSEL FOR PORT PHILLIP HEADS, VICTORIA.

The New Pilot Vessel "WYUNA", which will replace the "AKUNA", has arrived in Victorian waters.

"WYUNA" is a 1400-ton, twin-screw, diesel-electric vessel.

ILLEGAL ENTRY OF CHINESE.

A few Chinese have recently been convicted at Sydney for being illegal immigrants in possession of forged Commonwealth of Australia Alien registration books. These cases have proved the books in their possession to be genuine, but the entries forged, indicating they had been secured through some illegal means.

Recent press reports claim that many Chinese are in possession of these identification books, and that the holders are mostly Communists. The Communist Party newspapers claim that if the irregularities do exist, the holders of these

illegal documents would be Chinese Nationalists, seeking safe refuge owing to the failure of the Chinese Nationalist Government to regain control of China.

NORTHERN TERRITORY.

Uranium.

The mining of uranium by private companies came into effect on 3rd September. All ore mined in this manner must be sold to the Commonwealth, a fixed scale of payment having been decided upon. In the case of a declared mining reserve, the Administrator has power to authorise a Corporation, private individual or Commonwealth Authority to contract with the Government for the mining and occupational rights of the reserve.

Doria Gold Mines and Territory Scheelite, N.L. have formed a syndicate known as Territory Uranium Syndicate.

Tobacco.

The experimental tobacco crop at Berrimah is expected to be ready for harvesting in the near future. The cultivation of this crop is under the supervision of the Agricultural Section of N.T. Administration and the quality will not be known until harvesting and drying operations have been completed. In the same area, the growing of rice, sorghum and peanuts is being tested.

Greek Sponge Fishermen.

It has been reported that there is a possibility of Greek Sponge fishermen migrating

to Australia with a view to establishing pearling and fishing settlements in the Northern Territory and the north-west of Western Australia. Mr. Eugene Gorman, Q.C., of Melbourne, has been appointed the Federal Government Envoy in this regard, and he has discussed the proposed plan with the Secretariat of the Inter-Governmental Committee for European Migration at Geneva and the Greek Government. It is anticipated that approximately 5,000 Greek Sponge fishermen could be induced to migrate to Australia under a sponsored scheme. The Greek Consul and Greek community already in Australia are anxious for this scheme to eventuate. Before final negotiations are completed, it is anticipated that a small party of fishermen from the island of Kalymnos (where sponge fishing is the major industry) will be brought to Australia in order to carry out aptitude tests for pearl-diving in the tropics.

TERRITORY OF PAPUA AND NEW GUINEA.

Japanese Fishing Vessels.

At 0300 on 25th August, whilst on passage from Ninigo Islands to Wulvulu Island, the Government Trawler "EROS" (Captain J. Kimmsley) sighted a vessel burning only one cluster light aft of the bridge and apparently stationary in a position approximately fourteen miles from Aus Island.

On closing the vessel to investigate, Kimmsley could see no sign of life. "EROS" closed to within fifty feet and identified the vessel as a Japanese Fishing Trawler M.N.2/434 with Japanese characters painted on stern.

It was observed that thirty to forty Japanese were asleep on deck. Captain Kimmsley hailed loudly and a head appeared from the F'scle and there was immediate activity, engines started, sea anchor appeared to be cut adrift and the vessel got under way at a speed estimated at twelve knots. It proceeded to the Eastward without lights.

The vessel appeared to be of six hundred tons and smelt strongly of cooked shell (trochus or green snail).

On 26th October a report was received from the Anchorites, stating that a Japanese lugger was fishing shell approximately 2 miles off-shore. On 30th October, H.M.A.S.D.M.L. 1324, H.M.A.S. KANGAROO and the R.A.A.F. SAR craft departed Manus to investigate, with negative results.

Cathodic Protection for Lae Wharf.

A new method of protection against underwater corrosion is being installed on the new Lae wharf.

The new system is unique in the fact that it is the first time it has been applied for the protection of the underwater steel structure of a wharf.

In this cathodic protection system corrosion is prevented by the application of D.C. electricity to the wharf from pieces of scrap steel.

All corrosion of metals is essentially electrical in character and is caused by poten-

tial differences, the principal ones being the impurer character of steel (a mixture of iron and carbon), the differences in oxygen content of the water and differences in the salt content of the water.

The latter factor is unusual but is present at the Lae Wharf because the Markham River forms a layer of fresh water over the sea water.

In the cathodic protection being used at Lae the scrap steel pieces known as anodes are connected to the positive terminal of a rectifier and the wharf is connected to the negative terminal.

The current flows from the anodes, through the water to the wharf piles, and the current flowing to the piles causes them to polarise, thereby eliminating the corrosion potential differences and completely preventing corrosion.

M.V. ISABEL (1,200 tons)

The above-named motor vessel has been taken over by Gilberts (A'Asian) Agency (Vic) Pty.Ltd., and for the next year or so will be plying in and around the waters of New Guinea and the Solomon Islands.

CHINESE IN NEW GUINEA.

On a recent visit to Rabaul, Staff Officer, (Intelligence) North East Australian Area, discussed with local businessmen and officials the old controversy relative to the merits and demerits of the Chinese population in New Guinea. This subject has had consider-

able press comment in both New Guinea and Australia.

The charges that illegal Chinese migrants are entering New Guinea and that financial aid is being received from Red China, seem to have no basis in fact, and the Chinese residents resent what they consider is unfair criticism. In regard to illegal migration, recently three Chinese stowaways absconded from custody aboard the "SAN FERNANDO" at Rabaul, but were apprehended and handed over to the Police authorities by members of the Chinese community.

Chinese are purchasing plantations at what can be considered inflated prices, but the purchasers are wealthy traders who are regarded as loyal subjects.

It appears that exception is taken to the fact that the purchasers in many cases do not work the properties themselves, but employ managers to do so. Another objection is that properties purchased are usually established plantations, and virgin land is not being purchased or developed by the Chinese.

It is rumoured that Chinese planters and traders are endeavouring to form their own Small Ships organisation and a prominent European has been approached in regard to the position of Marine Superintendent for the project. This has not been confirmed, although several small craft suitable for trading have recently been acquired by Chinese interests. Four small trading vessels of approximately 85 feet, the property of the Commonwealth Shipping Board, are shortly to be sold by tender

and it is anticipated that Chinese interests will be the tenderers.

The wealth necessary to finance these enterprises could be profits accrued by these traders as a result of the direct payment to natives of large sums of money as War Damage Compensation, a good percentage of which has found its way into their coffers.

DUTCH NEW GUINEA.

Defence.

The Netherlands Budget for 1954 provides for the allocation of £3,010,348 for Netherlands New Guinea defences. Portion of this amount will be used for the improvement of Services' accommodation, particularly at Biak.

The substantial amount allocated seems to indicate a firmer policy in regard to the retention of New Guinea by the Dutch, and is sure to provoke some comment from Indonesian sources.

Visit of Admiral Doorman.

A recent report suggests that the Deputy Minister of Defence (Navy), Admiral Doorman, will be visiting Dutch New Guinea before the end of the year to make arrangements for the future of the armed services there. It is probable that the Army will be replaced by Marines, although the Army feel that their presence is also required. Admiral Doorman is known to be interested in bringing Dutch New Guinea into the A.N.Z.U.S. Treaty.

Oil.

A recent report states that oil production in Dutch New Guinea will be seven times the present output on the completion of a new 40-mile pipe line from the Wassian field to Steenkool on the Wassian River. The pipeline should be completed and in operation early next year.

The present output is rated at approximately 1,800 tons daily from the fields at Sorong and Wassian.

Commercial activity.

A report suggests that Dutch commercial and shipping firms are becoming interested in Dutch New Guinea since the implementation of a firmer policy by the Dutch in regard to that area. Other leaders of the business community are showing their interest by their activity, and recently a body known as the New Guinea Institute was founded in the Netherlands to help stimulate interest in Dutch New Guinea.

NEW CALEDONIA.New Naval Commandant.

The Commandant de la Marine in New Caledonia, Capitaine de Fregate G.J.Douget, returned to France last month after two years at Noumea.

His successor is Commandant Masson, Capitaine de Fregate. Commandant Masson was born in Brittany, and entered the Naval School in 1924. Before being appointed to Noumea,

he commanded the Naval base at Sfax, in Tunisia.

PORTUGUESE TIMOR. - Finance.

During the next six years Portugal intends to invest the sum of £A60,000,000 in her overseas Territories. Of this sum, about £A620,000 will be spent on Portuguese Timor in the following ways :-

Development of agriculture, forestry and stock raising, land preparation, irrigation and colonisation	£A50,000
Town development, water supply and sanitation	£A450,000
Ports, sea and river transport and merchant Marine...	£A40,000
Roads and bridges	£A60,000
Airfields and Civil Aviation..		£A20,000

It would appear that the spending of the small amounts involved will not alter the state of things in Portuguese Timor to any great degree, the exception perhaps being Dili, which no doubt will benefit largely from the £A450,000 which is to be spent on town development.

SHIPPING INFORMATION.New Vessels for Austasia Line.

The Austasia Line vessel "MALAY" will be joined later this year on the Malaya-Australia run by two other vessels, the "MANDOWI" (ex "CRISPIN") and "MANDAMA".

The Company have stated that all future ships of its Line would be given aboriginal names starting with "MA". Flour will be the basic cargo of these ships, but large quantities of meat, fruit, vegetables and all classes of chilled and frozen products will also be carried.

Mitsui Line.

The general traffic manager of the Mitsui Steamship Co., Tokyo, Mr. Jiro Homma, stated in Melbourne recently that prejudice was preventing his company from re-entering the Australian-Japanese cargo trade, and claimed that Japanese shipping lines now transported 10% only of Japanese imports.

Mr. Homma said that two years ago the Mitsui Line had applied for admission to the Australian-Eastern conference (a body consisting of British, Swedish, Norwegian and Australian Shipping interests) but had been refused. On further recent application he was told that the Mitsui Line was 'not welcome'.

A Vessel with many names !!

Japanese buyers have bought the 6675-ton

motorship "LAUTOKA" from Pacific Shipowners Ltd. of Suva.

The "LAUTOKA", formerly known as "SALAMAUA" was built in Glasgow in 1920 as the "GLENTARA". Renamed "MILVERTON", she was bought by W.R. Carpenter in 1934.

The new name of the vessel under her Japanese ownership is not known!

M.V. "BOONAROO".

The new 6,000-ton motorship "BOONAROO" has completed her sea and speed trials. "BOONAROO" is powered by a 3,000-s.h.p. British Doxford engine, built under licence in Melbourne.

Built for the Australian Shipping Board by Mort's Dock and Engineering Co., of Sydney, "BOONAROO", to be operated by McIlwraith McEachran Ltd., will probably carry supplies from Sydney to Darwin for the development of Rum Jungle. The vessel will carry a crew of 40. She is equipped with single-berth cabins in accordance with the latest accommodation standards for ships' crews. Her service speed fully loaded with about 6,000 tons of cargo is about 12 knots and her maximum speed 14 knots.

Messageries Maritimes - New Vessel "POLYNESIEN".

Messageries Maritimes are at present building a new motorship to be named "POLYNESIEN", which will replace the present ship of that name trading between Australia, New Caledonia and the New Hebrides. Delivery of this vessel is expected in April, 1955.

With accommodation for 36 passengers, the new "POLYNESIEN" will be of 2,400 tons deadweight and will have a speed of 14 knots. Other particulars of the vessel are : Overall length, 373 ft.; length (between perpendiculars), 338 ft.; width, 50 ft.; draught, 18 ft. She will be propelled by a Diesel motor of 3,500 h.p. nominal power, and electrical power will be supplied by three Diesel groups of 200 Kw.

INTELLIGENCE OFFICERS IN H.M.A.FLEET.

The following officers have been appointed Intelligence Officers in ships of H.M.A. Fleet:

H.M.A.S.VENGEANCE	- Lieut.-Commander R.H. Thomson, DFC., RAN.
H.M.A.S. BATAAN	- Lieut.J.A. Mackie, RAN.
H.M.A.S. QUADRANT	- Lieut.Commander D.S. de M.Hill, DSC ^R , RN.
H.M.A.S. MURCHISON	- Lieut.E.F.S.Nutt, RAN.
H.M.A.S. MACQUARIE	- Lieut.J.G.Lindley, RAN.
H.M.A.S. FREMANTLE	- Lieut.P.S.Gaynor, RAN.
H.M.A.S. SYDNEY	- Lieut.I.K.Wilson, RAN.

SPECIAL ARTICLES.

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

THE CHINESE COMMUNIST NAVY.

The Chinese Communist Navy is very much the "Cinderella" force of the armed forces of the Chinese Peoples(Republic, but unlike "Cinderella" there is no crystal slipper for it. The development of this Navy is slow and when compared with that of the Chinese Communist Army and Air Force insignificant. The largest operational unit at present in the Chinese Communist Navy is of the Frigate type. (The sunken cruiser "CHUNGKING" (ex "AURORA") has been raised but is not operational). Apart from the transfer of M.T.B's the Russians have turned over no warships to the Chinese Communists, and their aid has been confined to advisers, technicians, supplies of materials for the upkeep and refitting of the ships and for logistic support.

The Chinese Communist Navy is still a department of the Chinese Communist Army and it is believed that its higher direction is still in Army hands. The Naval Headquarters at Peking is probably responsible for the political planning and logistic support, but there is no fleet directly under the operational control of Peking. Operational control appears to be invested in the Area Commanders who apparently act independently of each other. This is best illustrated by the system of pendant numbering

of vessels in the Pearl River and Swatow areas. This system of numbering has only appeared since the beginning of the year--and has not as yet been reported in any other area. All classes of naval vessels in the Pearl River and Swatow areas have pendant numbers consisting of the number 3 dash followed by three numbers (3-121). There is no precise information on the system used and this will not be apparent until we have a more complete picture, but it appears that consecutive numbers are not used for ships of the same class and that they concentrate on numbers within the unit or group regardless of class. The 3 of the 3-xxx pendant number probably indicates the Area Command--i.e. Central South China Naval Force or Fleet.

There has been no information of any new naval construction during the last six months, and it is firmly believed that there has been no change in the Chinese Communist capabilities to build such ships. Construction of M.T.B's, armed motor junks, small patrol craft, L.C.M. types of landing craft and conversion of small cargo vessels, etc. are the only naval construction which can be undertaken by their dockyards. Conversion of suitable merchant ships to naval use has been on the increase, and it is apparent that the Chinese Communists are making every effort to increase the size of their Navy by this means. Recent sightings in the Pearl River area have confirmed the presence of the two trawlers of the "ISLE" and "BASSETT" classes which have been reconverted to naval use. There have also been similar reports from other areas of the arming of merchant ships, and it is believed that these conversions are undertaken at Whampoa, Shanghai and Dairen.

Despite various rumours, there is still no firm evidence that the Chinese Communist Navy is split up into Fleets, Flotillas or Squadrons, although it is known that certain classes of vessels do operate in groups or units which are possibly Squadrons. This equally applies to other units which operate together regardless of class. Due to lack of experience and training it is most improbable that the Chinese could operate these various units as a fleet or as a Task Force as we know them. The various types of vessels would certainly not be suitable for operating as a combined fleet but rather as independent units or groups.

Training in the Chinese Communist Navy has carried on as hitherto, although, during the winter months it has not been on the same scale as that reported in the autumn. The M.T.B.'s which were laid up for the winter are once again becoming operational and they have been sighted at exercises in the Pearl River, at Shanghai, Tsingtao and Dairen at reported speeds of up to 30 knots. Frigates, L.C.I's, gunboats and minesweepers have all been reported exercising off Shanghai. There has also been activity in the Pearl River Estuary, where all the various units stationed there have been observed at one time or another carrying out exercises. These exercises have included ship-handling, simple manoeuvres, signalling, flag-hoisting and boat drills. Gunfire has been heard on occasions which possibly could have been connected with ships.

Specialised training has almost certainly been carried out at the various naval schools

and academies under the direction of Soviet advisers. This has probably included the training of submarine crews, which is believed to have been under-way for some considerable time, although it is firmly believed that up to the present the Chinese Communists do not possess any submarines in their Navy.

Korea has shown that the Chinese Communists are taking a great interest in mine-laying, but there is no evidence of any mines having been laid along the coast of China, and it is considered most unlikely that any have. It is, however, believed that they do possess stocks of mines and that these are available at the majority of the ports along the coast. These mines will most probably be of the same types which have been used in Korea and supplied by the Russians. Minelaying operations by the Chinese Communists would be by orthodox and unorthodox methods incorporating lessons which they have learnt in Korea. Some of their Frigates and L.S.M's are known to be fitted for minelaying, and they also possess numerous junks which can be easily adapted for this purpose.

Although there has been little indication of any progress in the development of the Chinese Naval Air Arm, it is believed that this force is being trained. Future increases in strength and scope of activity would not be surprising, and it is logical to assume that any development will be along the same lines as the Russian Naval Air Arm. There have been many sightings of aircraft in the coastal areas, but up to the present there is no way of identifying Naval machines from those of the Air Force.

The complement of Marines in the Chinese Communist Navy would appear to be increasing in step with the other armed forces. Whilst exact numbers and strength cannot be firmly assessed, there is reason to believe that they now have six divisions with a total strength of 60,000 plus. They are probably mainly equipped with Russian weapons and trained with the aid of Russian advisers. It would seem that their role is mainly one of defence rather than offence, manning the coastal defences along the coast and also in the islands of the Pearl River Estuary. It is possible that they are also used to defend the Communist-held Islands off the China Coast.

Summing up, progress is being maintained and the efficiency of the Chinese Communist Navy is improving, but it can in no way be compared with the Navies of the Western Powers. They are more or less dependent on Russian aid for advisers, technicians and supplies. The major units (Frigates) have certainly been re-fitted and in many instances re-armed, but the time will come when the lack of new construction incorporating modern weapons will be a grave problem to overcome, if the strength of their Navy is to be increased as they have so often stated. Lack of experienced officers and men may still be a handicap despite efforts to overcome this. Further, although it is probable that the Chinese Communist Navy could defend the coastal waters against any attack by the Chinese Nationalists and give a good account of itself, it would be of little value against a well equipped modern Task Force - apart from tip and run attacks by M.T.B's. or defensive minelaying in Chinese waters.

(C.S.O. (I), Far East).

KOREAN/CHINESE RELATIONS.

Reports from repatriated P's.O.W. indicate that there is considerable friction between the Chinese Communist Forces and the North Korean Armed Forces on the one hand and the North Korean civilian population and both the C.C.F. and the North Korean Army on the other.

The friction between the C.C.F. and the North Korean Army is largely a clash of personalities, but the arrogance of the C.C.F. towards the Koreans is a big factor in this tension. Chinese troops have literally taken charge of North Korea and it is claimed that they have boasted of the fact that they control the "Peace Talks" and there is a profound lack of respect on the part of the Chinese for North Korean officers.

Civilian resentment of the C.C.F. springs from the same source - the arrogance and patronage of the Chinese toward anything Korean, plus the fact that the Chinese apparently ride rough-shod over Korean laws and have little respect for Korean property.

Enmity towards the North Korean Armed Forces amongst the civilian population is caused through the manner in which they have forcibly acquired anything they wanted and the scant respect they pay to civilian interests.

As both the C.C.F. and the North Korean Army have the same ideology - that is, the Communisation of North Korea - the civilian population regards them both in the same light. Their living standards have fallen under the

regime now in power and they bitterly resent the intrusion of the Chinese into their lives.

Reports indicate that in Northern Korea, in an area 10 miles south of the Yalu River, the entire Korean population has been shifted and the area, which contains some of the best pasture land in Korea has been taken over by Chinese.

There seems little doubt that there is a growing wave of anti-Communism amongst the North Korean civilian population and it is believed that they would welcome anyone who could restore their lost freedom to them. This seems a forlorn hope in view of the hold that Moscow-trained Communists have over the administration of the North, but there is some hope that the Chinese and the North Korean Armies will fall out amongst themselves, in the event of which there would be large-scale desertions of North Koreans to the South. This would leave the Chinese in sole control of the North which might not suit Moscow.

POLISH SHIPPING TRADING WITH COMMUNIST FAR EAST FORCES.

Nearly all shipping, including Russian, currently employed on trade to and from Communist Far East ports, calls at the principal ports en route, either for normal tramping purposes or for bunkers; consequently the pattern of this trade, including ships' identities, can be followed fairly closely.

The one regular exception to this practice is the Polish Merchant Marine. Polish ships used on this run are nearly all modern and characterised by their long endurance. It is believed that because the Poles have such ships this is part of a deliberate policy under

which Polish ships carry all, or most of the strategic goods from Gdynia to the Far East. Apart from fuelling at Port Said, where identification can hardly be avoided, these ships go to considerable lengths to avoid further recognition. When passing Singapore, they keep to the southward and generally 'fail' to read or answer signals.

The same applies when spoken on the high seas by H.M. Ships. In a recent case, a Pole, whose identity was known in Singapore from other information, passed herself off to an H.M. Ship by light with a completely fictitious name.

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SECRET

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