

SECRET

Australia Station Intelligence Summary



DATE OF ISSUE 31 JAN 1954

*Naval Intelligence Division
Navy Office
Melbourne*

1. The Australia Station Intelligence Summary is "SECRET," and its recipients are responsible for the security of the information contained therein.

2. Internal circulation is to be "BY HAND" of Officer only. A Transit List is contained in the back cover.

3. When not in use the Australia Station Intelligence Summary is to be kept under lock and key.

SECRET

C O N T E N T S .

	<u>Page.</u>
<u>SECTION I.</u>	
<u>R.A.N. MONTHLY NOTES.</u>	
Review of Principal Naval Activities	1
Appointments	5
Extracts from or Summaries of Reports of Proceedings.	5
<u>SECTION II.</u>	
<u>NAVAL (AND OTHER ARMED FORCES) INTELLIGENCE.</u>	
Soviet	8
Chinese	11
Japanese	12
Thai	12
Burman	13
United States	13
Netherlands	16
Swedish	16
French	17
<u>SECTION III.</u>	
<u>EXTERNAL POLITICAL POLITICO-MILITARY & ECONOMIC INTELLIGENCE.</u>	
U.S.S.R.	18
China	18
Japan	19
Indo-China	20
Burma	21
Pakistan	23
Indonesia	25

over/

SECRET

C O N T E N T S .

	<u>Page.</u>
<u>SECTION IV.</u> <u>AUSTRALIA STATION</u> <u>INTELLIGENCE.</u>	
Australia	29
Northern Territory	37
Papua and New Guinea	38
Dutch New Guinea	41
Portuguese Timor	42
New Caledonia	43
Shipping Information	44
 <u>SECTION V.</u> <u>SPECIAL ARTICLES.</u>	
Indonesia Today	46
Shipping Engaged in Trade between U.S.S.R. (and Satellites) and the Far East	51
Australian Trade in Base Metals.	54

- SECRET -

S E C T I O N I.

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

PRINCIPAL NAVAL ACTIVITIES.

H.M.A.S. AUSTRALIA.

AUSTRALIA is at present undergoing a 56-days' self-refit at Sydney, and is due to complete on 29th January, when she will sail for the Tasman Sea to rendezvous with "GOTHIC".

H.M.A.S. SYDNEY.

During late November and December SYDNEY carried out two patrols off the West Korean coast. She spent Christmas Day in Kure and sailed on 26th December for Hong Kong for a three-weeks' visit.

H.M.A.S. VENGEANCE.

VENGEANCE completed her refit on 7th January, when she sailed for Jervis Bay for a fortnight's work-up of air squadrons before joining the Royal Escort in February.

TENTH DESTROYER SQUADRON.

ANZAC arrived in Sydney on 8th January after refitting at Williamstown Naval Dockyard. On 11th January she sailed for Jervis Bay for two weeks' exercises.

On 1st December ARUNTA commenced a six-weeks' work-up in the N.S.W. area before sailing from Sydney on 15th January to relieve TOBRUK in Korean waters.

- SECRET -

En route for the Far East she will call at Cairns, Darwin, Tarakan and Hong Kong, where her turnover from TOBRUK will take place.

TOBRUK, whose present tour of duty commenced in May, 1953, is due to sail from Japan for Sydney in late January.

BATAAN is at Sydney for 84 days' refit until 15th February.

FIRST FRIGATE SQUADRON.

QUADRANT and CULGOA are undergoing refits at Williamstown, and SHOALHAVEN and CONDRAMINE at Sydney. CULGOA, on completion, will pay off into reserve.

HAWKESBURY, who has taken over patrol duties in northern waters from SHOALHAVEN, arrived in Manus on 26th November. Between 13th December and 3rd January she carried out a 1,500-mile cruise, visiting coastwatching stations in New Guinea, New Britain and New Ireland. On 9th January she sailed from Manus for a three-weeks' cruise to visit coastwatchers in Bougainville Island and the British Solomon Islands. HAWKESBURY disembarked at Kavieng a contingent of natives from the Papua-New Guinea Division of the R.A.N. and the P.N.G. Regiment who will travel to Australia in M.V. "SOOCHOW" to take part in the Services Review at the opening of Parliament in Canberra by Her Majesty, the Queen, in February.

MACQUARIE is paying off into reserve in Sydney.

MURCHISON, who arrived at Sasebo on 28th November from Hong Kong, carried out her first

patrol off West coast of Korea during the first week in December. She spent the remainder of December and early January in Japan.

H.M.S. TELEMACHUS.

TELEMACHUS sailed from Sydney on 28th December for a cruise in South East Australian waters, during which she visited Hobart (31st December - 5th January), Port Lincoln (8th - 11th January), and Adelaide (13th - 17th January). She will return to Sydney on 21st January.

TRAINING SHIPS.

GLADSTONE (at Williamstown), FREMANTLE and JUNEE (at Fremantle) are at present undergoing refit. WAGGA and COOTAMUNDRA are carrying out training in the Sydney area.

SURVEY SHIPS.

WARREGO and BARCOO departed Sydney on 26th November to continue their survey duties in Bass Strait. WARREGO is surveying the area bounded by lines drawn between Cape Otway, Cape Schanck and King Island, and BARCOO the area between Cape Schanck and Wilsons Promontory. Except for the coastline and inshore soundings, the direct shipping routes in this area have never been surveyed and even the surveys delineating the coastline are over eighty years old. This new survey, therefore, is necessary before up-to-date Australian charts can be produced by the Hydrographic Service. The surveys will be completed about the middle of March.

WARREGO returned to Sydney for the Christmas leave period, and BARCOO berthed at

Port Melbourne.

H.M.N.Z.S. HAWEA.

HAWEA, en route to Korea, arrived at Sydney from Auckland on 15th January for replenishment and to carry out exercises and firings between Sydney and Jervis Bay in conjunction with CONDAMINE, WAGGA, COOTAMUNDRA and TELEMACHUS.

H.N.M.S. TERNATE.

TERNATE, who arrived at Williamstown Naval Dockyard from Hollandia on 9th December, completed her refit on 15th January when she sailed for Dutch New Guinea via Sydney.

THE R.A.N. CONTRIBUTION TO THE KOREAN WAR.

During the Korean War a total of 76 warships from Commonwealth Navies and the Royal Fleet Auxiliary service served off Korea for varying periods. These comprised 34 ships of the Royal Navy (including four aircraft carriers and six cruisers), 18 Fleet Auxiliaries, one hospital ship, nine ships of the R.A.N., eight destroyers of the R.C.N. and six frigates of the R.N.Z.N.

Each of the R.A.N. destroyers - ANZAC, TOBRUK, BATAAN, and WARRAMUNGA - carried out two tours of duty in Korea. WARRAMUNGA, who served for a total of 19 months, steamed a total distance of 112,000 miles. BATAAN, who in her two tours was in the Korean area for the longest period - 20 months - cruised 98,000 miles. During the period of hostilities H.M.A. ships steamed more than 450,000 miles.

In the nine H.M.A. ships, 311 officers and

4,196 ratings served, and in operations they expended the following ammunition: 9,615 rounds 4.7-inch; 5,573 rounds 4.5-inch; 9,983 rounds 4-inch; 50,417 40-m.m. shells and 9,921 2-pdr. shells.

H.M.A.S. SYDNEY herself expended, in addition to the above totals, 269,249 rounds of 20-m.m. cannon shells and fired 6,359 rocket projectiles. Her aircraft also dropped 18 1,000-lb bombs and 784 500-lb bombs. During her flying operations in Korean waters SYDNEY's aircraft flew 2,366 sorties in 42.8 flying days, her daily average sortie rate being 55.2

The casualties sustained by the R.A.N. were: one officer killed, two officers missing presumed killed, one officer and five ratings wounded. A total of 57 officers and men received decorations for services in Korean waters.

APPOINTMENTS.

Captain (E) A.M. Clift R.A.N. has been appointed to Navy Office as Director of Aircraft Maintenance and Repair, to date 12th February.

Acting Commander G.L.Cant R.A.N. has been appointed to KUTTABUL in command, to date 19th February.

ooo000ooo

EXTRACTS FROM OR SUMMARIES OF REPORTS OF PROCEEDINGS.

BATAAN's Visit to Singapore.

A highlight of BATAAN's visit to Singapore on 3rd-4th November, after escorting SYDNEY from

Australia to the Far East Station, was a most lavish twelve-course Chinese dinner at the air-conditioned Cathay Restaurant given by a local Chinese merchant and his wife to the C.O. and officers. Dinner music was provided by a Chinese band who rendered their version of "Waltzing Matilda".

En route to Sydney, BATAAN passed south of Rota Island off Timor and clearly observed portions of the hull of H.M.A.S. VOYAGER, who grounded whilst landing commandos on the island on 25th September, 1942.

SIGHTING OF JAPANESE FISHING VESSEL.

On 21st November, when en route from Sydney to Manus to relieve SHOALHAVEN in Northern waters, HAWKESBURY sighted a small vessel off the Barrier Reef in position 20 degs. 40 mins.S., 155 degs 05 mins E, and shortly aftwards a white light half-a-mile on the starboard bow. The light was investigated and found to be a lighted dan buoy. Although this suggested a bank or shoal, despite the 1,700 fathoms shown on the chart, no bottom was obtained. The ship was approached and proved to be a steel trawler of about 500 tons(?), apparently a Japanese tuna-fishing vessel, with cross lines set at twenty fathoms from a series of dan buoys. On her decks some fifteen Asiatics were working busily under strong arc lights, presumably processing the fish caught earlier. No sensible reply was received from HAWKESBURY's challenge and, as the ship was in open waters, no further action was taken.

Visit to Melville Bay.

The monotony of patrolling in the Arafura

Sea was broken for SHOALHAVEN during 3rd and 4th November, when she spent the week-end at Melville Bay on the north-east tip of Arnhem Land.

Melville Bay was a R.A.A.F. and U.S.N. Catalina base during the war and has two concrete seaplane slips in good condition. It is a fine natural harbour sheltered in both monsoons.

SHOALHAVEN reports that there is a 6,000 feet tarmac airstrip in excellent condition one mile E.S.E. of the harbour. Although slight jungle growth has started to encroach at the edges of the field, it could still be used by heavy aircraft.

The wartime-built roads are surfaced with bauxite gravel and are in good condition. The jetty in Melville Bay is in fair condition and could be used for small craft.

Training of P.N.G. Division of R.A.N.

At Manus, in November, the opportunity was taken to give members of the Papua-New Guinea Division of the R.A.N. some training on board SHOALHAVEN. Although these native ratings have little opportunity for experience in H.M.A. ships other than small craft, they showed a high standard of efficiency and keenness during their seamanship drills and boatwork.

SECTION II.

NAVAL (AND OTHER ARMED FORCES) INTELLIGENCE.

(INCLUDING TECHNICAL INTELLIGENCE)

SOVIET NAVY.New Types of Ocean-going Submarines.

It has been reported that the Soviet Union has in production two new types of ocean-going submarines. Although the details given are an estimate, the overall picture presented is said to be reasonably accurate.

One of these new types of submarines is very large and the other large. The very large type has a submerged displacement of about 2,900 tons and a maximum surface endurance of as much as 20,000 miles. Maximum speed on the surface is 20 knots and submerged 15 or 16 knots. Armament includes a twin 3-inch mounting and two light AA guns. ~~Armament includes a twin 3-inch mounting and two light AA guns.~~ Torpedo tubes are fitted but the number and disposition are not known.

The large type is of 1,600 tons submerged displacement. Maximum speed on the surface is 16 to 17 knots and the same speed, submerged. This vessel is armed with one 3.9 inch retractable mounting, one gun about 1.8 inch, two light AA guns, six torpedo tubes in the bows and possibly one in the stern.

The correct class-names of these submarines are not known; until they are ascertained the very large type is designated "Z" class and the large type, "W" class.

"W" class are under construction at Komsomolsk Yard on the Amur River.

"M" Classes of Submarines.

A further report on these classes of submarines (see A.S.I.S. No.15 of 10th December,1953) states that production has decreased at the same time as the new types of submarines came into production and may now be in abeyance. It is possible that the production of the "M" classes may be discontinued altogether but it seems more likely that they are being redesigned and that the new coastal submarines are not yet in production.

Continuous Reading Funnel Gas Analysers fitted in Soviet warships.

An official Soviet publication states that Soviet warships have for some years past been fitted with continuous reading, electrically-operated instruments for recording both the CO2 content of funnel gases and the amount of smoke produced. These instruments are probably the main reason why Soviet major warships usually appear to be successful in keeping a clear funnel.

"SKORY" Type Destroyer.

A new type of destroyer has been added to the Soviet Navy. It is the so called "SKORY" type of which four are reported commissioned.

This destroyer is said to have a speed of 36 knots, and is fitted with warning and gunnery radar.

The armament reported is four 13 c.m. guns in two twin turrets, two 7.6 c.m. AA guns, seven 37 m.m. close range weapons and eight 53 c.m. Torpedo tubes in quadruple mountings.

The production programme for the "SKORY" type calls for twelve units.

Minesweepers.

Ten minesweepers are reported under construction at a small shipyard on the Neva River, 24 miles from its mouth.

Soviet Navy Senior Officers.

An eye witness of the Revolutionary Anniversary Parade in Moscow comments upon the number and youth of Captains and Flag-Officers in the Red Navy.

The Commander-in-Chief is 51 and Golvoko, formerly Chief-of-Staff, but now believed to be C. in C. Baltic, is 47.

A Vice-Admiral Parkhamenko who recently commanded a force visiting Bulgaria and Roumania is 43. The only officer of this name known was a Lieutenant Commander commanding a destroyer in 1942.

Promotion appears to be rapid, but is fraught with the danger of a purge. Nevertheless, opportunity is afforded by the present expansion of the Soviet Navy.

Soviet Rocket Plane.

The Soviet is producing a small rocket-propelled fighter plane for the protection of its industry. It is being turned out "in some numbers".

It appears to be a development of the

Messerschmitt 163; a single engine, powered by a liquid-fuel rocket motor. It is obviously aimed a chief means of defence against strategic bombers.

CHINESE NAVY.

Chinese Communist Naval Activity.

Until recently six C.C.N. frigates were based on Tsingtao for exercises and manoeuvres including A.A. and surface shoots. These frigates are reported to be no longer in Tsingtao Harbour, but it is not clear whether or not they have left Tsingtao and returned to Shanghai (as they did about the same time last year).

It is reported that five L.S.M's at Shanghai have been fitted with square ports and rails as though for minelaying.

New Types of Patrol craft.

During November, 1953, two new types of patrol craft were sighted for the first time. The first of these new types is described as being steel-hulled craft more heavily built than M.L.'s., about 100 feet long and armed with two 40 m.m.guns. These craft were possibly built at Shanghai and will in future be referred to as P.C. type.

The second new type, which will be referred to as Y.P. type, is a wooden craft, of about 50 to 60 feet long. It is not flush-decked like an M.L. but has a foc's'le with scuttles, on which is mounted one probable 40 m.m. gun. A modern bridge is situated amidships at rear of the foc's'le deck. The Y.P. type was sighted in Shanghai undergoing trials.

Japanese Coastal Safety Force.

It is of interest to record the duties of the Japanese Coastal Safety Force and when and by whom it can be called to action.

- The C.S.F. can be called to action by :-
1. order of Cabinet in time of National Emergency as determined by the Prime Minister.
 2. the request of the Governors of Prefectures to quell civil disorder. (This in conjunction with the N.S.F. (Army)).
 3. the C-in-C, Navy for guarding action and for security at sea.
 4. the Director-General of the Maritime Safety Board at a time of disaster at sea.

THAI NAVY.Navy Returns to Favour.

H.T.M.S. TACHIN (ex U.S.S. GLENDALE) has returned to Korean waters and relieved H.T.M.S. PRASAE which has never been to Thailand.

The original PRASAE was sunk off the east coast of Korea in January, 1951 and was replaced by a similar vessel from the U.S. Navy. PRASAE II has been in Korean waters since that time.

The homecoming of PRASAE marked a softening of the attitude of the Thai Government toward the Navy which lost considerable favour following the abortive coup of June 29th, 1951. At a christening ceremony the C-in-C Thai Navy, Rear-Admiral Luang Yudhasat, stated that the Marines, placed

under Army control after the coup, are to be reformed on a smaller scale than previously which would indicate that the Thai Navy is about to be reconstituted as a separate command force again.

BURMAN NAVY.

Possible Purchase of Vessels from United Kingdom.

The Burman Government has authorized the Chief of the Naval Staff to enquire into the purchase of certain types of vessels from the United Kingdom.

It is thought that the types sought will be Type A. MTB/MGB . and L.C.S's and L.C.M's.

UNITED STATES NAVY.

New Type Minesweeper.

The U.S.N. has a new type minesweeper, U.S.S. "AGGRESSIVE".

The ship is 173 feet long, of all wood hull construction and has a complement of 74.

Powered by four Packard diesels of non-magnetic stainless steel alloy, the magnetic properties are further reduced by the use of wood plastic and alloys in minesweeping and other equipment.

She is fitted with controllable-pitch propellers.

There are six ships in the class.

Atomic-powered Submarine "NAUTILUS".

The first atomic powered submarine, the "NAUTILUS", was scheduled for launching on 31st January. A sister ship "SEA WOLF", is in the early stages of construction. A senior U.S. Naval official stated: "NAUTILUS" is strictly a test vehicle". "I doubt if she will ever fire a shot in anger."

"SEA WOLF" would use a different type of nuclear power plant but would be of the same general design as "NAUTILUS" and did not signify any significant advance.

U.S. Navy planners believe that the basic limitations of the "NAUTILUS" are that she is too large for stealthy attack and quick maneuverability and that she lacks the safety equipment traditionally required in submarines.

The power plant takes up about one half of her 300' length.

U.S. Flame-proof Cotton.

Flame-proof washable cotton will soon be available on the general market. Material has already been used in cotton safety garments for steel mill workers. It fails to ignite at the highest temperatures.

New V.H.F. Radio.

A new V.H.F. transceiver, weighing 7 lbs. 9 ounces, designed for air-to-ground communications for the U.S. Civil Air Patrol has been tested successfully.

The transceiver consists of a tunable, two-band VHF receiver with a 7 channel VHF crystal-controlled transmitter. 4 VHF channels may be used in addition to 121.5 m/cs, the international emergency VHF frequency, which will permit aircraft to transmit to military control towers and flight facilities.

Matador.

The U.S. Air Force expects to send its first squadron of pilotless bombers - ground to ground guided missiles - overseas early this year after completing two years training. Squadrons will be equipped with Matador, a stubby-winged missile capable of carrying the atomic bomb. The destination is thought to be Europe.

Matador is designed primarily for tactical rather than strategic use on the battlefield. Guided by a complicated electronic "brain" it could drop an atomic bomb on targets close behind the enemy lines in all kinds of weather.

The 'Nike' Missile.

This pencil-shaped missile is designed to track and destroy hostile aircraft, regardless of weather conditions.

Now in mass production, the 'Nike' is described as the United States best combat-ready, surface-to-air guided missile yet to be put into service. About 20 feet long and 1 ft. in diameter, it is equipped with two sets of fins for guidance and steering.

The weapon includes a missile proper and a complex control system containing approximately 1,500,000 parts.

Unlike the German 'V' weapons the 'Nikes' are essentially defensive. They are designed to provide a greater degree of protection against high-flying bombers.

'Nike' provides its own propulsion burning liquid fuel. Its range has not been disclosed; unofficial reports state 35 miles. It has a speed of approximately 1,000 miles per hour.

Fired from a mobile launching rack, the 'Nike' operates as a two-stage rocket. The first push is provided by a booster rocket. Within seconds the missile has passed through the sonic barrier and shifted to its rocket engine.

NETHERLANDS NAVY.

The destroyer "GELDERLAND", the fourth and last of the 1948 programme, was launched in September.

These vessels are 370 feet long, have a displacement of about 3,000 tons and a speed of 32 knots.

The armament includes four 4.7" dual-purpose guns and six 40 m.m. close-range weapons.

No torpedo tubes are yet fitted.

The 1949 programme provided for eight larger and faster destroyers. So far only a few have been laid down.

SWEDISH NAVY.

M.T.B's.

T201. - A small 50 ft. wooden M.T.B.

powered by one 1500 H.P. Isotta Fraschini engine reached 40.5 knots on trials. The offensive armament is two torpedoes.

This craft is a prototype for rapid wartime construction by yacht building firms.

FRENCH NAVY.

Aircraft-Carrier "BOIS BELLEAU".

The 11,000-ton U.S. Aircraft Carrier "BELLEAU WOOD", built in 1941-42, has been handed over to the French Navy and re-named "BOIS BELLEAU". The ship will outfit with Avenger aircraft, and is expected to relieve "ARROMANCHES" in Indo-China.

The third active aircraft-carrier in the French Navy is "LA FAYETTE"; also turned over by the United States under the Mutual Defence programme.

SUBMARINE ACTIVITY.

Submarine activity reported during the last quarter included a firm report of a submarine off Durban, a probable snooper during "Main Brace" and a confirmed sighting of a snorting submarine off the Faroes during "Mariner".

ooo000ooo

SECTION III.

EXTERNAL POLITICAL, POLITICO-MILITARY, AND ECONOMIC INTELLIGENCE.U.S.S.R.Soviet Study of Indian Languages.

A recent press report under a Moscow date-line states that Russian language students are working on a complete grammar of the Hindi language and compiling Urdu-Russian and Hindi-Russian dictionaries.

According to the Oriental Institute of the Soviet Academy of Sciences the preparation of the grammar and the dictionaries is regarded as an "immediate task".

CHINA.Chinese Communist Government Policy on Privately-owned Enterprises.

A recent reliable report from China states that the Chinese Government has initiated a study of policy known as "general line" designed for the period of transition to state socialism.

For those Chinese enterprises which are still privately owned this will mean increased control and direct participation by the State until they are brought under complete State ownership.

For foreign firms, there are indications that this new phase means that the Communists intend to complete the execution of their declar-

ed policy of "confiscation of enterprises owned by imperialist and bureaucratic capitalists".

The Chinese Communist Government no doubt pretend to regard themselves as morally justified in the confiscation of foreign firms on the grounds that it is only partial repayment for wealth taken from China in the past by "imperialist exploitation". Nevertheless, they are careful to provide a show of legal cover. Even where they recently directly confiscated a public utility they faked a cash balance in advance by fictitious tax and labour demands. The business firms of countries with diplomatic relations with the Peking Government do not seem to receive materially better treatment.

JAPAN.

Shipping and Shipbuilding.

13 major Shipping Companies, including Nippon Yusen Kaisha, Osaka Chosen Kaisha and Mitsubishi Steamship Company, have formed a council for general co-operation in the matter of rationalisation of the shipping industry and the elimination of unnecessary competition.

Shipbuilding.

The Hitachi Shipbuilding Company has recently completed a 7,500 H.P. turbine-charge engine built under license from the Danish firm of Burmeister and Wain. The engine will be fitted to the Yamashita Steamship Company's 10,000 ton vessel YAMAHARA MARU.

This shipyard, situated in Ibaraki Prefecture, Honshu, in addition to building ships,

also manufactured a large range of propulsion equipment and turbines before the war but the plant was completely destroyed during the war by bombing. It has now been largely re-established and reported to be working to near capacity.

With their wide range of machine tools and equipment, these works possess a considerable naval potential.

INDO-CHINA.

Situation Report.

The Vietminh offensive in Central Laos has been greatly exaggerated in the press and by Vietminh Radio. The true facts of the offensive are that the Vietminh has at most 9 Battalions in Central Laos, opposed by 14 French and Vietnam Battalions.

The Vietminh have occupied Thakhet, about 60 miles north of Seno airfield, and, contrary to Vietminh Radio, they did not drive the French out. The French evacuated to Seno airfield area because it was more readily defensible.

In the North-Western theatre the action is centred around Dien Bien Phu, a position the French again withdrew to because of its defensive capabilities. In this area the Vietminh strength is in the region of 16 Battalions and the French have approximately an equal number.

It is not known whether the Vietminh intend to attack and try to take Dien Bien Phu and so consolidate their hold on the northern areas, or whether they intend to attempt to contain the French forces in the area and make a sudden move with all

the forces available toward the Delta in an endeavour to drive the French out. This area is vital to the Vietminh if they are to survive, as it contains almost the whole of their food supplies.

Should the Vietminh attempt this move and at the same time force the French to disperse strong forces in Central Laos to prevent a threatened break-through to the South, it seems that the French may be caught in two minds as to where to rush their forces.

It must be remembered that Hanoi and the Delta Area are supplied entirely by sea and air, and any sudden drain on supplies at two widely separated places, like the Delta Area and Central Laos, could have a serious effect on the chances of the French being successful.

It appears that the Vietminh moves have been planned on such a high scale and to such effective purpose that it is not beyond the realms of possibility that the direction of the war on the Vietminh side may well lie in other than their own hands.

An L.S.I.L. has been mined in the Red River, This is the first successful attempt by the Vietminh to mine the Red River.

BURMA.

The Kuomintang Evacuations.

The KMT evacuations, which were suspended in order to permit of the investigation of the charge that Burmese hill tribesmen were among the evacuees, were resumed on 13th November. When the cease-fire officially expired on 22nd December, about 2,000 had been evacuated, but this number in-

cluded dependents and it is probable that the hard core of regulars at Monghsat Headquarters remains virtually intact.

The problem was discussed by the United Nations General Assembly on 27th November, and the Burmese delegate, Myint Thein, protested against the poor quality of the troops evacuated and the small number of weapons which had been brought out and which proved to be mostly unserviceable. A draft resolution has been submitted by Australia, the United Kingdom, India and others expressing concern at the unsatisfactory results of the evacuation so far, and urging that efforts towards the evacuation of troops and the surrender of arms be continued.

Fresh approaches have now been made by the KMT to continue evacuations and Taipeh has proposed that an additional 2,000 troops could be evacuated, with arms, if Burma would co-operate. United States pressure is probably behind this latest offer, which may also be prompted by the threat of another Burmese assault on the Monghsat area.

The Chinese proposal is that the evacuation re-commence on 15th January and that a total of 2,000 men be evacuated within 30 days, with the possibility of further evacuations. This plan necessitates another extension of the cease-fire - which has already been extended four times by the Burmese Government, - but there are indications that Burma will agree to a further extension.

However, this additional evacuation probably will only be accomplished at a price as Chinese Nationalist generals in Burma have agreed to withdraw only on condition that United States dollars are used to meet debts the KMT have contracted in

Burma, and to re-imburse individual soldiers for personal property including horses, mules, weapons and ammunition.

PAKISTAN.

United States - Pakistan Military Agreement.

During the last two months there has been much controversy over reports of a military agreement between the United States and Pakistan. These reports allege that the United States is planning to grant Pakistan 25 million dollars of military aid and is negotiating for military bases in Pakistan.

Although both Pakistan and the United States admit that discussions of a military nature have taken place, they claim that these were concerned only with the possibility of future aid and persist in denying that a military agreement of any kind has been proposed.

However, the allegations are given added significance by the United States' move to promote a Middle East defence group comprising Iran, Iraq, Turkey and Pakistan. Pakistan has denied any intention of joining such an organisation, but U.S.A. claims that she has already sounded the Pakistani Prime Minister and Governor-General, and that their re-action was enthusiastic. This is supported by Pakistan's recent interest in Middle East affairs, and the visit of Mohammed Ayub Khan, Commander-in-Chief of the Pakistan army, to Turkey.

The strongest opposition to the alleged agreement has come from India. Nehru, in official protests to the Pakistani Prime Minis-

ter, Mohammed Ali, claims that such an alliance will not only lead to a military dictatorship in Pakistan, but could bring the Cold War to the sub-continent as the Soviet could not avoid compensatory action. Nehru has also threatened that India may be forced to seek outside aid, with the suggestion that she may turn to the Soviet.

Nehru used these arguments when he opposed the suggestion that Pakistan should join MEDO and his opposition in both cases is probably inspired by belief that an alliance between Pakistan and any other power except India would threaten India's power in the sub-continent. It is possible that the strong stand India has taken on this matter is deterring Pakistan and the United States from committing themselves in the face of this opposition at a time when their relations with India are already delicate.

INDO-PAKISTAN RELATIONS.

The Kashmir Dispute.

A Committee of military and political experts has been set up in New Delhi to discuss the preliminary issues concerned with the holding of a plebiscite in Kashmir. This is in accordance with the agreement reached by Nehru and Mohammed Ali at their discussions last year that an Administrator should be appointed by April, 1954.

The Committee, which met on 21st December, consists of four representatives from India and four from Pakistan. The issues to be discussed are the demilitarisation of Kashmir, the induction of the plebiscite Administrator and the powers of the Administrator to ensure a free, just and

impartial plebiscite and his powers vis-a-vis the local administrations.

As these are the problems which have caused the prolonged deadlock in the Kashmir dispute, the outcome of these meetings is vital to future developments in the attempt to solve the problem.

INDONESIA.

The upheaval in the Defence Ministry caused by the arbitrary actions of the Minister, Iwa Kusumasumantri, remains unsettled. With the President's refusal to accept the resignation of the Acting Chief of Staff of the Armed Forces, Bambang Sugeng, and with the failure of the P.N.I. (Nationalists) to endorse the proposal of their leader, Ali Sastroamidjojo, to relegate Iwa to a less important place in the Cabinet, the deadlock is likely to continue till Soekarno allies himself with one of the groups. He is, however, in a very difficult position because though Bambang was originally his nominee, it will go against the grain for him to throw in his weight with the followers of the deposed Sultan of Djakarta.

The removal of Iwa from office would appear to be the best and simplest way out of the impasse, for this Minister has done nothing to enhance the Government's prestige since he took over the position four months ago, but rather has initiated proposals that have caused a defection of public opinion.

While this struggle has continued Dr. Wairisal, the self-styled Prime Minister of the South Moluccas, has arrived in Djakarta

"voluntarily" from Biak, (Dutch New Guinea). Thomas Nussey, Commander-in-Chief of the Republic, who surrendered to the Indonesian Army in the Moluccas, is also in the capital, where he Wairisal and seven members of his Cabinet will stand trial on the charge of instigating a revolution against the lawful Government of the Indonesian Republic.

Unconfirmed reports state that members of the Malayan Communist Party may be seeking refuge in Sumatra. The K.M.M. (Malaya Independent Movement) is reported to have 2,000 members in Indonesia, with branches at Medan and Padang. The latter branch is inoperative, however, owing to lack of funds.

According to newspaper reports, anti-Dutch feeling is again running high in Indonesia, following the arrest of several influential Dutch business men suspected of terrorist activities in Bandoeng and Djakarta.

Relations with Malaya.

Malayan fishing vessels operating in the Malacca Straits have for some time been complaining that they are victims of acts of piracy committed by Indonesian armed vessels. It is thought, however, that some of the Malayan boats, who are seeking Royal Navy protection have been engaged in the lucrative smuggling trade carried on between the Malay Peninsula and North Sumatra, and are annoyed at losses due to interception by Indonesian Security Forces. Nevertheless, it is true that the Indonesian patrols do not always confine their attention to guilty vessels, or their punishment of offenders to warnings or arrests.

As a result of a recent incident that occurred in the Malacca Straits, where it was alleged that a crew of a Malayan fishing boat paid an Indonesian patrol vessel 2,000 Malayan dollars to be released from arrest, discussions are taking place between H.M. Consul at Medan, and the staff of the Flag Officer, Malayan Area.

As the relations between R.N. Patrols and Indonesian regular security forces are not unfriendly it is proposed to invite the co-operation of Indonesia in anti-smuggling measures. In return, Indonesia has offered to provide a mission to Singapore to study Counter-smuggling techniques.

Relations with Japan.

At the end of December the Japanese Coast Guard alleged that an Indonesian boat had seized a 99-ton fishing boat, 28 miles off Sumatra, and detained its crew of 23.

The latest development on the Reparations question is a suggestion put forward by the Japanese that interim agreements could be reached. These would take the form of ship building and the provision of electric power generation equipment for the Ashan hydro+electric project in East Sumatra. However, as the Indonesians want an overall settlement, as they are suspicious of the Japanese desire to invest in their country and as they wish to use reparations to set up light industry to manufacture consumer goods and so cut down their imports of these commodities, this idea is not popular.

Relations with Communist China.

The Asmaun Mission which recently went to Communist China to discuss the possibilities of

a trade treaty does not seem to have had an unqualified success. In the agreement, which has yet to be ratified, the products are mentioned only by name but not in quantities, and it seems that they will exchange goods of the type they normally export without discrimination.

The Indonesians hoped to get rid of a minimum of 50,000 tons of rubber, whereas the Chinese asked for less than that amount. There is a non-discriminating clause in the agreement which would make it hard for the Indonesians to get out of supplying the rubber, if the agreement is ratified.

SECTION IV.AUSTRALIA STATION GENERAL INTELLIGENCE.HARBOUR IMPROVEMENTS.Urangan, (Queensland).

Urangan, the deep water port for Maryborough, has had various improvements made to the jetty to facilitate the export of sugar. Repairs have been undertaken, waterside workers' amenities have been improved and arrangements are in hand to supply electricity to the wharf.

Early construction of a proposed jetty extension to further facilitate the shipment of sugar is being urged.

Brisbane.

The Queensland Department of Harbours and Marine has added 8,000 square feet to the B.H.P. wharf at Hamilton and a concrete deck has been laid on top of the reclamation.

500 feet of wharf apron has been completed on a section of wharf leased to Nixon-Smith Shipping and Wool Lumping Company, Pty.Ltd., at Circular Quay and foundations prepared for a wharf shed 400 ft. x 75 ft. The Company is prepared to reconstruct this old wharf at an estimated cost of £27,000, provided a lease can be obtained for a period of 25 years.

"M" Wharf at Parker Island has been extended and additional mooring facilities provided for Ampol Petroleum Ltd.

Dalgety's have completed the addition of 103 feet of new wharf.

Port Pirie.

Three wharves, Federal, Railway and Smelters, are being re-decked and strengthened with four additional lines of girders running the full length of each wharf. Total cost will be £48,000. Both Federal and Railways will be re-decked with new timber for 150 feet at either end and about 50% of the centre portion, and Smelters a centre section of 540 feet.

Additional floodlights are being erected on 65-foot "Stobie" poles at Railways and Federal wharves.

Port Lincoln.

The S.A. Harbors Board is preparing a plan for submission to Parliament for extending the wharf accommodation and improving the harbor facilities at Port Lincoln.

Full details are not yet available but provision is made for a separate berth for the intrastate vessels "MOONTA" and "MINNIPA" and also for ketches and other small craft. A terminal building for passenger facilities, mails and office accommodation and a large cargo shed with rail and road access are to be built. An aerial survey has been made of a site for the discharge of oil and sulphuric acid at Porter Bay, where a T-head jetty will be constructed.

Attention has also been given to the bulk handling of grain and provision for this is made in the new wharf scheme.

Kingscote.

The South Australian Government recently approved a plan for the widening and lengthening of the Kingscote jetty and other improvements.

The improvements planned are the extension of the jetty by 20 feet seawards and widening to 25 feet the approach portion and 60 feet the head. The structure will be strengthened and fendered to provide a "soft nose" at which ships can turn. The depth alongside the jetty will not be increased, as a more frequent service is planned rather than making provision for larger vessels.

Existing buildings will be removed and four cargo sheds and a super-phosphate shed will be erected.

Port Moorowie.

A tender has been accepted for the purchase and demolition of Port Moorowie jetty and the work of demolishing this jetty is nearly completed.

The Harbors Board policy is to maintain only the jetties and wharves at Port Pirie, Wallaroo, and Edithburgh, and all the jetties at the other ports on Yorke Peninsula will eventually either be sold and demolished or else abandoned.

Onslow Jetty.

Good progress is reported in the repair of the cyclone damaged jetty at Onslow. Due

to some difficulty in obtaining labour, progress has not been as rapid as expected but the jetty should be fully operative in February 1954.

NEW SIGNAL STATION FOR NEWCASTLE HARBOUR.

A new signal station costing about £7,000 is to be erected at Nobbys. It will be 40 ft. high and have three floors, each 15 ft. square. The new building will support a concrete observation post with a signal lamp, counter-levered in a semi-circular bay.

Two 18 ft. masts on top of the station will overcome the trouble ships' masters have been experiencing in reading morse messages from the station.

The old signal station, which was built after World War I, is considered dangerous in a high wind.

PEARL FISHERIES - LICENSING SYSTEM UNDER THE PEARL FISHERIES ACT.

A licensing system has now been imposed on all pearlery operating on the Australian Continental Shelf. The new regulations provide that licenses must be held by both ships and divers. Masters are obliged to make monthly and annual returns for shell taken. Limits have also been set on the size of shell that can be taken from Proclaimed Waters. For breaches of these regulations both masters and owners are liable to fines of £100. However, for unlicensed fishing the penalty under the Act is a fine of £500, plus forfeiture of ship, equipment and shell.

An area to the north of the North East portion of Arnhem Land has been excluded from Proclaimed Waters for the time being, and within this area, pearling activities may be conducted by unlicensed vessels.

The validity of the Pearl Fisheries Act has been challenged by the Japanese Government and hearings will take place at the International Court of Justice at The Hague.

A press report indicates that the Japanese pearling fleet is likely to resume operations in the Arafura Sea in May.

INSERTION OF ANTI-COMMUNIST LITERATURE IN BRITISH MERCHANT VESSELS BOUND FOR SOVIET PORTS.

Between fifty and sixty anti-Communist pamphlets printed in Russian were discovered secreted in the holds of M.V. PORT JACKSON whilst she was loading in Melburne for Odessa recently.

The discovery of such by Soviet port officials might well lead to unpleasant consequences. Concerned by the discovery, the Master of the PORT JACKSON had the whole ship searched and the remainder of the loading was carried out under Police surveillance.

The Master of the CHANTALA, whose vessel sailed some ten days later for Odessa, was notified of the discovery of the pamphlets in PORT JACKSON, and he took immediate steps to ensure that none were placed on board his ship.

COAL FOR KOREA.

The 100,000-ton contract to supply Collinsville (Queensland) coal to Korea has been taken over by the New South Wales Joint Coal Board.

The Queensland State-owned coal mine at Collinsville was recently mechanised to increase production to supply this contract. Owing to delays in installing the equipment and recent trouble experienced in penetrating overlays of stone, production has not increased as expected.

Three shipments of coal have been made from New South Wales prior to the decision to relinquish the contract to ensure a continuous supply to Korea.

The balance of the contract-- 75,000 tons-- will be supplied by Newstan Colliers Pty.Ltd. and the Miswellbrook Coal Company.

NAVIGATIONAL AIDS IN NORTH QUEENSLAND WATERS.

The first group of ten radar beacons has been installed by the Navigation Department on reefs situated between Cooktown and Thursday Island, namely on Osborne, Bow, Wye, Middle, Young, Moody, Shortland, Harrington, North-West, and Miles Reefs. Ultimately, a total of twenty-one will be installed between Cairns and Thursday Island which will make the navigation of Coastal shipping safer.

The beacons will replace day marker beacons.

Conjointly, a new system of buoys and

beacons to coincide with the radar beacons will be installed. Varying colours and shape of day marker and radio beacons, and colour and character of lights and floating buoys will indicate the direction of navigational danger.

Old type buoys and beacons of standard colour and shape will be replaced.

QUEENSLAND SHIPBUILDING PROGRAMME.

Evans Deakin & Co. Ltd., Brisbane, have sufficient shipbuilding contracts to last five years at their shipyards at Kangaroo Point. The next launching will be a 7,000-ton collier in 1964. Contracts have been accepted from the Australian Ship building Board to build four 10,000-ton motor bulk carriers. The particulars are as follows :-

Length B.P.	440'0"	Loaded Draft	25'3"
Length O.A.	467'6"	Loaded Dis-	
Breadth(Moulded)	57'0"	placement	13,800 tons
Depth(Moulded)	34'0"	Service	
		Speed	12 knots.

These vessels are of the single flush-deck type with forecastle and a four-tier deck-house aft, with five holds, a raked stem and a cruiser stern.

The ships are bulk carriers and will carry no cargo working gear. All unloading will be done by shore equipment.

The machinery is a 4-cylinder Doxford opposed piston 2 stroke-reversible Oil Engine, designed for service performance of 3,300 B.H.P. and arranged to drive a single screw at 108 r.p.m.

to give the loaded vessel a continuous service speed of 12 knots.

At Walkers Ltd., Maryborough, the keel has been laid for a Boom working vessel, and on completion two 2,100-ton bulk wheat carriers will be built for the Australian Shipbuilding Board.

ANGLO IRANIAN OIL - KWINANA REFINERY.

Good progress continues to be made in the construction of the Anglo Iranian Oil Co. Kwinana Refinery. Most of the underground pipe work has been completed and installation has begun of the actual refining plant. Pressure vessels are being installed. A start has been made on the reactors of the catalytic cracker unit. A seamen's mess is under construction near the jetty. Pile driving is progressing on the sea arm of the jetty which is to be pre-cast to fit on top of the piles.

Four of the ten five million gallon crude oil storage tanks are under construction and have reached an average height of about forty feet. A party of twenty-five welders was recently flown from England to assist in this work.

FISH RESEARCH STATION AT ROTTNES.

The Minister for W.A. Fisheries recently announced that Rottnest is to have a biological and fisheries laboratory and research station. The Fisheries Department, the University of W.A. and the C.S.I.R.O. would be interested, he said. Research will be undertaken on crayfish, sea herring and other fish. The University will conduct biological research into the Rottnest wallaby.

Arrangements have been made to lease a suitable building from the R.A.N. and the laboratory will be controlled by a Committee consisting of the Superintendent of Fisheries, and representatives of the University, the C.S.I.R.O. and probably the Rottneest Board of Control.

NORTHERN TERRITORY.

Uranium.

On 13th October, the Northern Territory Administration issued a special Government Gazette announcing that approximately 4,000 square miles of country previously reserved during the aerial uranium search had been thrown open to prospectors. Some of the areas still remain reserved, i.e. around Fum Jungie, Coronation Hill and Katherine.

Private mining syndicates are taking considerable interest in uranium development, although there had not been a rush by either prospectors or mining companies to find uranium since the areas were thrown open to private enterprise. However, at least four privately-organised uranium search parties are operating at the present time. Other companies are in the process of carrying out inspections of leases, before lodging any claims. With the exception of several small areas around known uranium discoveries, mining men have full use of the map showing radio-active areas discovered by the scintillometer-equipped D.C.B. operating on behalf of the Commonwealth Bureau of Mineral Resources.

It is reported that extremely good

samples of uranium ore have been discovered within 200 miles of Alice Springs in the region of Hart's Range Mica Field.

The first "find" by a public company was announced on 2nd November. It is in the Brocks Creek area, 130 miles south-east of Darwin and the area is being worked by a Territory Uranium Syndicate, a company formed by the Adelaide companies Territory Scheelite and Doria Gold Mines. The Brocks Creek area is only one mile off the nearest bitumen road and 60 miles from Rum Jungle.

It is reported that 506 men are now working on the Rum Jungle field and it is aimed to have the complete treatment plant for the production of uranium oxide in operation by the 1st July, 1954. At the present time members of the construction gang are working 60 hours a week. A power-house containing three 20 kilowatt diesel generating sets is already operating and construction has commenced on a second power house which will operate three 500 kilowatt sets. With regard to the mining of uranium, the original find "White's mine" has now been explored to a depth of 480 feet and two new locations are being thoroughly tested at the present time.

TERRITORY OF PAPUA AND NEW GUINEA.

Registration of Aliens.

Under the recently gazetted Aliens Ordinance, all aliens in Papua and New Guinea over sixteen years of age and excluding also those born in the Territory are now required to register.

Government-Shipping Service.

Tenders have been called for the purchase of thirteen vessels at present operated by the Papua and New Guinea Government Shipping Service.

The fleet comprises six 85-ft. wooden auxiliary vessels; two 120-ft.-steel auxiliary vessels of 198 gross tons each; four 125-ft. wooden auxiliary vessels of 308 gross tons each; and a 110-ft. wooden auxiliary vessel of 30 gross tons.

Views of Native Members of the Legislative Assembly on important matters concerning the Territory.

The following statements were made in the Legislative Assembly by Native Members, concerning important subjects relative to the welfare of natives :-

(1) Simogun (New Guinea Mainland).

"Men of the United Nations represent many nations but they do not represent our country. They do not understand us.

They visit us to see the people and the work being done. I doubt if they appreciate either the work or the people.

We hope Australians will continue to settle down in New Guinea because they know and understand the way of native life.

It would be better if the native people of New Guinea were British and the Territory a part of the British Empire."

(2) Aisoli Salin (New Guinea Islands).

"Liquor was never known before the Europeans came to the Territory. The Europeans taught the natives to drink and today are giving them intoxicating liquor.

This is happening in every District. I am not trying to hide what the natives have done. They have sold and bought liquor.

Some Members of the Council who are against natives drinking liquor have a lot to say.

If half-castes can drink, why not allow long-service natives, members of the Police Force and intelligent natives to drink."

(3) Merari Dickson (Papua).

"Papuan natives will not get opportunities unless the Legislative Council considers better and higher education.

The Administration has taken two years to consider the merits of sending natives overseas for higher education.

Nothing will give the native a chance to run his own country and Government unless he attends higher education abroad.

If we do not start now it will be fifty or one hundred years before the native reaches the standard of the white man."

"NAURTO", Ex-Japanese Fleet Tanker.

Andersons (Pacific) Trading Company, Port Moresby, who in 1947 purchased from Commonwealth Disposals Commission the Japanese Fleet Tanker, "NARUTO" (8,000 tons g.r.t), which is lying beached at Rabaul with a damaged hull, have applied for permission to export the tanker to Nonyo Trading Company, Tokyo. This firm,

which is considered to be reputable, intends to dismantle the vessel and sell the scrap metal to Japanese Steel Works Limited.

DUTCH NEW GUINEA.

French Trade with Dutch New Guinea.

According to a press report from Hollandia, the French Consul-General, Hong Kong, has recently been surveying trade prospects in Dutch New Guinea.

The question of the opening of a French Consulate in Dutch New Guinea is under examination, but it seems unlikely that this will eventuate.

Defence.

Three officers of the Medical Section of the M.I.L.V.A. (Women's Auxiliary Service of the Dutch Army) reported for duty in Dutch New Guinea in November, 1953. This is the first occasion on which women members of the Netherlands Army have been sent to the Territory.

Six ex-R.A.A.F. Catalinas, at present being overhauled in Sydney, are to be handed over to the Dutch this month. A large quantity of spares for the aircraft was also purchased from the R.A.A.F. and will be included in the handover.

SECRET

41(a)

Admiral Moorman, Netherlands Deputy Minister of Defence (Naval) has stated that there is "little doubt" that the Army in Dutch New Guinea would be withdrawn and replaced by Marines. The Navy will have to find the funds necessary if the Army is relieved, but it is recognised that, as a fighting force, the Marines are much more effective.

Admiral Moorman visualises a force of 1,200 Marines based at Biak, from which small detachments would be flown to isolated posts for brief periods only, thus preventing any possible deterioration of health or morale of the force.

His ultimate aim is to recruit native "police troops", which would be used to deal with infiltration and for manning the more isolated posts in Dutch New Guinea.

In connection with these arrangements, Admiral Moorman will be visiting Dutch New Guinea in February.

SECRET

Biak.

The construction of the large hotel and airstrip at Biak was completed last month.

Oil.

Recent reports state that the Northern New Guinea Oil Company (composed of Dutch and United States interests) is increasing its financial stake in Dutch New Guinea, and this would indicate that the Dutch have decided to turn a deaf ear to Indonesian claims. The greater foreign investment the Dutch can encourage in New Guinea, the harder it will be for the Indonesians to dislodge them.

PORTUGUESE TIMOR.Shipping and Trade.

The Hamburg America Line is examining information on the Port of Dili, with a view to including this port in a projected service to Macassar and adjacent areas. The vessel used would be of 7,000 tons, and the Line considers that 200 tons of cargo uplifted from Dili would be sufficient to make the service pay its way.

Various countries, including Austria, Hong Kong, United Kingdom and South Africa, have intimated that they are interested in trade with Portuguese Timor.

Hospital.

The additional wing on the Public Hospital (known as the de Cavalho Hospital) has been completed.

It is well constructed with thick walls and high ceilings and is modern in design and equipment.

The wing consists of two 24-bed wards with eight double or single cabins and three operating theatres. It is hoped that the entire hospital extension scheme will be completed by the end of this year.

At present the staff consists of a Director and three resident Medical Officers. In addition, seven doctors are resident throughout the island.

NEW CALEDONIA.

Finance and Labour Problems.

The New Caledonian Budget for 1954 will show a deficit of 29,275,000 francs, and higher duties and taxes are proposed on motor vehicles, petrol, wirelesses, postage, telephones, telegrams and mining leases, to bridge the gap. These measures will undoubtedly affect the cost of living, which is already very high.

Primary producers are in a precarious position; costs and pests are causing many to leave whatever they are engaged in to

look for a more lucrative and less costly means of earning a living. Coffee plantations are ravaged by scolytus and the guava is spreading over grazing and agricultural land.

To eradicate these pests requires labour, and it is also obvious that the only way to balance the budget and to meet and combat living costs is to increase production for export, which also means additional labour.

Sources of indentured labour (Indonesia and Indo-China) are now denied to the French, and it is thought possible that public opinion may again demand that Japanese indentured labour be employed, to solve the economic and financial troubles which exist in New Caledonia at the present time.

SHIPPING INFORMATION.

New Vessels for the Adelaide Steamship Company.

The Adelaide Steamship Company has purchased a partly built diesel-engined cargo vessel of 3,500 tons capacity for interstate trading. The vessel is being built by the Grangemouth Dockyard Company Limited in Scotland and is expected to be completed by July, 1954. Another diesel vessel, the "MARRA" (1,400 tons), which was ordered in 1951 is not expected to be available for the Australian coastal trade until the end of 1954.

New Tug for Brisbane.

MacDonald Hamilton & Co., have purchased "ABGAIG III", a 233-ton oil burning tug, from the Arabian-American Oil Company Ltd.,

for use in the Brisbane River.

The tug is being sailed from Arabia by a Brisbane master and is expected to be in operation early in the New Year. It will be renamed "TEARLESS".

Wilhelm Wilhelmsen's New Motor Vessel "THEMIS".

Wilhelm Wilhelmsen & Co.'s new motor vessel "THEMIS" arrived in Melbourne recently on her maiden voyage.

The "THEMIS", of 7,015 tons gross and having a deadweight tonnage of 10,550, was completed at Gothenburg last August.

The vessel has 28,000 cubic feet of refrigerated space. Her speed is 18 knots.

Sale of S.S. "JAMES COOK".

The steamer JAMES COOK, owned by H.C. Sleigh Coasters Ltd. and registered in Melbourne, has been sold to Henderson, Trippe Shipping Company of Manila as scrap.

The vessel has been lying idle in Sydney Harbour since June, 1951, and is expected to leave for Japan.

SECTION V.SPECIAL ARTICLES.

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

INDONESIA TODAY.

A recent issue of "The Fortnightly" contains an interesting article on the Indonesian scene, written by an American, Tibor Mende, who has just returned from an eight months stay in the Republic.

In spite of the fact that distress, disorganisation and dissension are paramount, the author comes to the conclusion that Indonesia may yet emerge as a truly democratic state.

"Indonesia", he says, by way of background, "is a country up against the sea; against a colonial past with its heritage of thwarted initiative and 85% illiteracy, and against centrifugal forces turning the outer islands against Java's near-monopoly of the fruits of independence."

In their wholesale repudiation of the Netherlands heritage, in their ignorance of practice in parliamentary procedure and in their lack of education, caused by the policy of the previous rulers, the Indonesian people are groping in a void, in which "even their best intentions are shipwrecked on the rock of inexperience."

If the promised General Elections do take place, it is doubtful whether at present the "head-hunting Dayaks of Borneo, the Toradja tribes of Celebes, Sumatra's spirit-worshipping Bataks, the Balinese village astrologers and all the millions of literate and illiterate villagers will be able to elect the "supermen" required to deal with Indonesia's problems, even pre-supposing that such intelligent, selfless men to exist."

The people, outside the walls that house the Parliament of mostly nominated legislators, have not yet come to regard it as the "healer of their grievances." To-day's youth are indeed Children of the Revolution, educated during the four years Japanese occupation, and three years subsequent fighting against the Dutch, in guerrilla bands, not schools. Well-steeped in the meaning of destruction, they lack the will to create - a necessary qualification for the builders of a democracy. The people as a whole prefer to rely on mob demonstrations and violence to force the Government's hand. This was seen last year by the events of October, 17th., when the Sultan of Jogjakarta's attempts to prune the three-forked, unwieldy, unreliable army into a compact loyal force was met by open resistance that ended in his forced resignation and the promotion of the insurgent officers. The weakness of the Central authority, together with lawlessness of elements, who are inspired by religious motives, separatist ideals or mere frustrated ambition, have made West Java, North Sumatra, East Java and Celebes a hot-bed of disorder.

In addition to the problem of insecurity there is the additional one of food scarcity. Here heritage and nature gave the Indonesians a flying start. The irreproachable land policy

carried out by the Mother Country prevented the emergence of a feudal land-owning class, while the naturally flooded and terraced plains, lavished with fertilizing ashes from active volcanoes, provided the Javanese peasants with ready-made rice fields. The Republic is, in fact, apart from the U.S.A., U.S.S.R., and Brazil, the most richly endowed territory under a single sovereignty in the world. She is already among the world's leading producers of rubber, tin, oil, sugar and tobacco, and she has numerous other resources waiting to be tapped.

However, after being self-supporting on the eve of the Second World War, she, who should be feeding all Asia, is now importing half a million tons of rice a year. The main reason for this economic disintegration is the maldistribution of Indonesia's population. Java, "the most over-crowded island in the world", is vainly trying to support fifty million human beings, whereas the other islands, which could be equally fertile, are lying nearby with sparse populations and undeveloped resources. The remedy is seen by the author to lie in the draining of Borneo's swamp lands and the transmigration of Java's surplus inhabitants. This, however, he realises, would need "capital, initiative and organisational ability", all of which are in very short supply.

The countless bandits who roam the countryside have also hindered primary production. The work of villagers is constantly interfered with by fear of raids and reprisals for non-cooperation, while lack of security has considerably curtailed the operations of tea, rubber and palm-oil plantations.

In the unsettled days following the winning of Independence many Indonesians came to "identify liberation with maximum reduction of effort", and this state of mind has offered success to the labour leader who made the most rash promises. The Communist-trained trade union leaders being the best organised and most eloquent, won the post-liberation scramble for leadership, and, as a consequence, the "All Indonesian Trade Unions Federation", or the Sobsi, which they sponsor, towers above the National Trade Union and Moslem labour organisations in moral persuasiveness and effective membership.

The Sobsi has probably one-half of the membership of the five million it claims, with only one in ten of that number really Communist-indoctrinated. The other 90%, however, follow orders whenever it suits their economic interests, as it did during the wave of strikes in 1951. "This organisation, completely obedient to Communist orders, is particularly powerful among plantation workers, in the railways and among dock and general transport labourers, or in all sectors essential to paralyse the country whenever Communist world strategy deems it desirable to do so." As it is impossible to judge the strength of the political parties before general elections have taken place, it is safe to assume that the Sobsi is the most powerful single organisation in the Republic.

The Communists' hand had also been strengthened by the allegiance given to the "Cause" by the majority of the Chinese, who have cultural links with Peking and economic predominance in Indonesia.

"To overcome the threatening internal chaos there may be a drift towards some kind of

dictatorial regime," either inspired by religious ideals of a theocratic state as envisaged by the Darul Islam, or instigated by those who are able to channel the old anti-colonial feeling into a class war.

However pessimistic this "cataloguing of the components of the Indonesian scene" may seem, there exist three glimmers of hope that the revolutionary flame may yet be converted into something more peaceable than mob violence, something more tolerant than a theocratic state, something more democratic than a Communist regime.

Optimistic attitude is the 'immovable, solid permanence of the villager', who is untouched by the passions seething throughout the country. Conservative in opinion, and contented with the minimum standard of living, he follows his "age-old round of work, religious festivals and weddings." The numerous small holders may yet provide the Indonesians with the opportunity "to muddle through" the crisis which faces them.

The Government's honest education effort and the work of Sutan Sjahrir and his fellow Socialists give promise of the rise of a more hard-working and clear thinking group of men in the future, who will be ready to take over the reins of government. Sjahrir is regarded as the wisest and best educated politician in the country, and even if his idealism is exaggerated, his energy is not misplaced.

The third factor is the intellectual attachment of many of her leading politicians to the West, which gives Britain and America the opportunity to help Indonesia develop its re-

sources by capital and equipment and train her people in technical and administrative tasks. English has rapidly replaced the Dutch language and the "young are turning to America and Europe for technical education". If the West is intelligent enough to handle the super-sensitiveness of the Indonesians concerning their independence, and generous enough to aid them, this seems to Tibor Mende to be the most concrete way of making Indonesian Democracy a fact as well as a name.

SHIPPING ENGAGED IN TRADE BETWEEN THE U.S.S.R.
(AND SATELLITES) AND THE FAR EAST.

Russian, Satellite and Communist-chartered ships continue to pass through Singapore in an unending stream, en route to and from China and Far East U.S.S.R., and recently there have been signs of an increase in this trade.

At any one time, there is now an average of 25 ships at sea East of Suez and a further 6-10 ships turning round in Communist Far East ports.

Cargoes for the East are generally embarked at Gdynia, Gdansk or the Hamburg-Antwerp range, but some ships, notably the few tankers in the trade, leave from Odessa or Constanza in the Black Sea. Cargoes are generally unloaded at Whampoa or Taku Bar, whilst a few consignments continue to Dairen, Nakhodka or the Sakhalin ports.

On the return passage, cargoes are picked up at Taku Bar, Shanghai and frequently Yulin, for the same European ports.

Interwoven in this trade is the

"rubber for rice" barter trade with Ceylon. Rubber is picked up by outward-bound Polish ships and rice is returned in any convenient ship, very often British.

As for cargoes themselves, basically they are strategic to the Far East and non-strategic to Europe and the east-bound cargoes can be clearly categorised according to the nationality of the carrier, as is shown in the following table :-

<u>Nationality</u>	<u>Type of Ship</u>	<u>Cargo</u>
(a) Russian	Small freighters, usually coal burning. Low endurance. Usually remain in F.E.	Machinery, industrial goods. Sugar and other non-strategic goods.
(b) Polish	Semi-fast medium size freighters. Oil-burning. Very long endurance (using double bottoms, etc.) Some have Chinese crews.	Guns, tanks, rubber, transport and other highly strategic cargo. Some passengers.
(c) Finnish, Swedish	Slow, medium-size freighters. Long endurance	Transport, machinery, chemicals and other strategic goods.
(d) British and other NATO countries.	Medium-size freighters	Fertilizers, sugar, paper, pharmaceutical and medicinal products and other non-strategic goods.

The following notes on cargoes to the Communist Far East are of relevant interest :

- (i) Britain, other NATO and some non-NATO countries adhere to the UNO ban on strategic goods to China, the details of which were agreed to by the 'Paris Group', who defined the degrees of strategic goods in great detail.
- (ii) British ships are required by law, in addition, to obtain a 'voyage licence' prior to voyages to China irrespective of the port or country of origin of the cargo.
- (iii) U.S. and some South American flag ships are forbidden to trade with China altogether.
- (iv) Polish and Satellite ships require long endurance to avoid the oil bunkering controls now exercised at British ports.
- (v) Polish ships make every effort to avoid British ports altogether, but the Finns and Swedes usually call for provisions.

There are two Polish tankers, who currently carry kerosene jet fuel from the Black Sea to China. One, the PRACA, was recently detained by the Chinese Nationalists in Formosa and her cargo confiscated. The second one was diverted from Shanghai to Whampoa to avoid a similar risk.

Cargoes from the East consist largely of horse beans and soya beans from N. China, silk

from Shanghai, rice from Whampoa, (some for Ceylon) and iron ore from Yulin.

In conclusion, it is worth noting that for political reasons, the United States has for long advocated the complete stoppage of 'western' trade with China, but is apparently coming to realise that the poorer nations of the world cannot afford to withdraw from such a valuable trade altogether. The restrictions the latter have imposed on strategic goods, have resulted in an increasing number of Finnish ships appearing since the Polish Marine is believed to be stretched to the limit. There are now ten Finnish ships in the area east of Suez - a record number.

AUSTRALIAN TRADE IN BASE METALS.

Exports of base metals from Australia during the year ended June 1953 were valued at over \$97m. Excluding from present consideration the precious metals, which are influenced by various special factors, and also iron and steel, exported mainly in fabricated form, lead and zinc formed the bulk of metal exports. Tungsten, titanium, and zirconium are valuable minor exports, while small quantities of copper, cadmium, tantalite and various rare metals, are also shipped abroad. The development of uranium deposits at Rum Jungle in the Northern Territory and Radium Hill in South Australia should give prominence to this metal in future and shipments from Rum Jungle are expected to begin in 1954. Australia is the third largest producer of lead and zinc, the value of the local output in 1952 being estimated at £34m. and £24m. respectively.

About 70% of the lead and zinc produced comes from the deposits at Broken Hill, New South Wales. Production at Mount Isa in Queensland is now second in importance, followed by Captain's Flat in New South Wales and the Read-Rosebery area in North-western Tasmania. A little over a quarter of the refined lead from the Broken Hill mines is used locally and the rest exported, mainly to the United Kingdom. Production from other areas is shipped to the United Kingdom, Belgium and the United States.

The value of copper produced in Australia in 1952 was £6m., but this was supplemented by imports worth over £9m. Before the war, copper was exported, but since then demand has exceeded local production and for some years large quantities have been imported from Rhodesia and Belgian Congo. However, domestic demand has now fallen and, following relaxation of the export ban late in 1952, oversea shipments have been made, chiefly to the United States. Copper ore is found in many areas throughout Australia, but the chief producing mines are those at Mount Lyell, Tasmania, and Mount Isa and Mount Morgan, in Queensland. Mount Isa Mines Ltd. recently completed a new copper mill and smelter which is producing blister copper up to a capacity rate of 18,000 tons p.a. The construction of this smelter makes the Mount Isa and Cloncurry copper field the principal producing area in Australia. Roughly 40,000 tons of copper a year are used in Australia - or more than double recent local production. With the re-entry of Mount Isa, local production should reach about 35,000 tons of copper a year and satisfy the bulk of present needs.

Production of tin is not adequate

for local demand and normally no export of tin is permitted. The most productive tin mine is that worked by Aberfoyle Tin.N.L. on Ben Lomond, in north-eastern Tasmania, which also produces wolfram. Herberton in Queensland and Tingha and Eumaville in New South Wales are important alluvial tin-fields, with other deposits throughout the continent. Two tin smelters, which are situated in Sydney, process the local production. The balance of tin requirements is imported from Malaya. Production of tin in Australia is at present about 1,500 tons per annum, with domestic needs between 2,000 and 2,500 tons a year. Stocks built up because of excessive imports of tin in 1951 and imports in 1952 were small. Demand for tin should about double when the tinsplate works at Port Kembla are completed. At present Australia imports about 130,000 tons of tinsplate per year, which would represent about 2,000 tons of tin.

SECRET

Transit List

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

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