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Australia Station Intelligence Summary



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SECTION I.

R.A.N. AND OTHER COMMONWEALTH NAVIES.

(a) ROYAL AUSTRALIAN NAVY.

H.M.A.S. VENGEANCE.

VENGEANCE's National Service training programme was altered for her to sail from Sydney for Japan on 27th October to transport some of the officers, other ranks, Meteor aircraft and stores of R.A.A.F. No.77 Squadron from Iwakuni to Australia. VENGEANCE will be away from Australia for six weeks with 281 National Service trainees on board.

H.M.A.S. HAWKESBURY.

On completion of SATEX, HAWKESBURY sailed from Manus on 20th October for a 26-days cruise in North Eastern waters. She visited Nauru between 25th and 28th October, and Ocean Island (on the New Zealand Naval Station) between 29th October and 1st November, and will return to Manus on 15th November, via Kieta and Kavieng.

Commissionings and Payings Off.

The tentative programme for 1954-55 Commissionings and payings-off is as follows :

<u>Date</u>	<u>Commissioning</u>	<u>Pay Off</u>
7th December 1954	QUEENBOROUGH	
14th February 1955		HAWKESBURY

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<u>Date</u>	<u>Commissioning</u>	<u>Pay Off</u>
June, 1955	QUICKMATCH	
July, 1955		MURCHISON
December, 1955	QUIBERON	
December, 1955	MELBOURNE	

Japanese Pearling Operations.

From mid-August until 12th October, when they sailed for Japan, the Japanese pearling luggers fished the Western grounds off Bathurst Island. They had earlier operated in the Wessels Islands area.

HAWKESBURY continued patrolling the area until 26th September, when she sailed from Darwin for Manus, and, apart from taking the Prime Minister for a visit to the fleet on 19th September, her duty was uneventful.

The fleet had fished the quota of 957 tons of shell by the beginning of October - three weeks earlier than had been expected. An interesting fact is that each Japanese lugger fished an average of 16 tons of pearl shell during August, compared with the average annual haul of 20 tons for a Darwin lugger.

H.M.S. DEFENDER.

After taking part in SATEX, H.M.S. DEFENDER will visit the following Australian ports: Sydney (28th-30th October), Melbourne (1st-9th November) and Fremantle (14th-16th November). She will then sail for the United Kingdom via Colombo, Aden and Malta.

SHROPSHIRE Leaves Australia.

On 9th October ex-H.M.A.S. SHROPSHIRE, towed by the Dutch tug "Oostzee", left Australia for the United Kingdom by the north-about route. She has been purchased by Thomas W. Ward (Aust.) Pty.Ltd., on behalf of the British Iron and Steel Corporation, from the Commonwealth Department of Supply for £A103,500.

The tug "Oostzee", owned by L. Smit and Company's International Salvage Corporation of Rotterdam, is of 497 g.r.t. and was built in 1953 by J. and K. Smit of Kinderdijk. The master, Captain M. Engels, is an experienced tugmaster and his ship is one of the most modern ocean-going tugs in the world. "Oostzee" has a crew of 21, and 10 Dutch sailors are manning SHROPSHIRE during the tow, living in specially constructed quarters. The main tow-rope is a nylon hawser 18 inches in circumference. Although the tug can develop 2,000 h.p. and a speed of 14 knots, the speed of advance of the tow is about four knots. Thus it will be mid-January before SHROPSHIRE reaches the shipbreakers' yard at Inverkeithing, in the Firth of Forth, Scotland.

After her arrival there work will immediately commence on the breaking-up of the cruiser. The buyers have given an undertaking that the ship would be dismantled within six months of her delivery.

Supervision of preparations for the tow was carried out by Lloyds and the marine salvage expert, Captain W. D. Noble.

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(b) ROYAL CANADIAN NAVY.

Modification of Canadian Tribal Class Destroyers.

Modifications which are being undertaken in the R.C.N. Tribal Class destroyers will change their armament and incorporate modern, improved A.S.W., radar and communications equipments. After modification the ships will carry two twin 4-inch mountings forward, a twin 3-inch/50 mounting aft, and four 40 mm. close-range A.A. guns. They will also be fitted with twin British A/S Type 164, two squid mountings and two Mark 32 U.S. A/S torpedo mountings.

Frigate Conversion.

The 21 R.C.N. River Class frigates are in turn undergoing conversions to an original Canadian design which is aimed at improving their A.S.W. capabilities. So far, seven frigates have been converted, the last being H.M.C.S. BUCKINGHAM who has just been recommissioned for service.

During a recent visit to Canadian Vickers Shipyard in Montreal, the Australian Naval Attache, Washington, spent some time looking over BUCKINGHAM. She has had extensive structural alterations, a most interesting feature being the addition of another deck from the previous break of the fore-castle, aft to the stern, making the ship flush-decked. Additional freeboard and a great deal of extra interior space has been provided.

Four squid mountings are set on the centre line aft in pairs on the old upper deck, which was

a strengthened deck. The new upper deck covers these mountings, but above them there are two light, collapsible hatch covers which are weather-tight when screwed down. When the squids are ready for firing the covers are removed, folded and secured to the deck. With the squid mountings in wells, improved arrangements can be made for reloading.

Store-rooms and spaces appeared to be very roomy; the wardroom was well furnished and spacious. The mess-decks were fitted with three-tier bunks, which were so arranged that the top bunk stowed upwards, while the middle bunk stowed downwards and made a settee with the bottom bunk (the bottom being the seat and the middle bunk providing the back rest). The galley and dining halls were excellently arranged and fitted out, and the sick bay and laundry had the most modern equipment. The officers' cabins incorporated many novel features, and all the furniture in the ship, except the Captain's and the Wardroom dining tables, was made of painted aluminium.

Some Canadian officers and representatives of Vickers Shipyard were disappointed that the reconstruction plans did not include the fitting of new engines capable of giving the ships a speed of 24 knots. They saw no real obstacle to doing this.

Vancouver Class Frigates.

The R.C.N. has some ideas of designing and building a new type of 24-knot A.S.W. frigate which would be the first of a Vancouver class. Design plans have been considered, but such ships may never be built.

27-Foot Motor Seaboat.

Designed and built by the R.C.N., a new 27-foot motor seaboat is to become their standard seaboat and will replace cutters and whalers. The boat will weigh 6,000 lbs. and will be powered by a 50 h.p. Gray marine diesel, giving a speed of $9\frac{1}{2}$ to 10 knots. The engine can be started before the boat is lowered. Rope falls will be used to permit hoisting by hand. The boat will have a higher bow and stern than the motor cutters at present in service.

Marine Railway.

At Marine Industries Shipyard at Sorel a novel marine railway is used for launching and hauling-up ships. The capacity of this marine railway is 5,000 tons dead weight; during World War II a number of ships, including Liberty type ships of 10,000 tons displacement, were built and launched on it.

The lay-out of the shipyard is such that several ships can be built side by side, and, when one is to be launched, it is hauled sideways on bogies and rails to the launching pontoon. The pontoon is then worked forward into the water on the chain ferry principle until the ship. is waterborne.

Naval Aviation.

The R.C.N. is operating one aircraft carrier, H.M.C.S. MAGNIFICENT, which is on loan from the Admiralty while H.M.C.S. BONAVENTURE (ex-POWERFUL) is being converted in the United Kingdom to

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Majestic standard (angled deck, steam catapult) and is being altered to allow for North American equipment to be used. BONAVENTURE should be ready by mid-1956 and MAGNIFICENT will be returned to the Admiralty.

R.C.N. Mobilisation Plans allow for a second carrier and perhaps a third to be manned in wartime.

Canadian Naval Aviation has two Carrier Air Groups, comprising four operational squadrons (two A.S.W. and two fighters). Ancillary squadrons comprise one attached to the Observers' Training School, one for training in instrument flying and one experimental. It is of interest that, at the present time, the R.C.N. Observers' School is training more R.N. Officers than R.C.N. Officers. Canadian Naval Aviation is supported by one Naval Air Station at Dartmouth.

The A.S.W. aircraft used are Grumman Avengers, which are U.S. naval aircraft converted from their U.S.N. attack role. They are being fitted with M.A.D. and are proving satisfactory for A/S work. The Avengers are to be progressively replaced by the new standard U.S.N. A.S.W. aircraft, the S2F (Grumman). These planes will be built in Canada by de Havilland, and in the Canadian version there will be alterations to allow for R.C.N. crews of pilot, observer and two observer's mates, whereas the U.S.N. crews of these aircraft consist of pilot, co-pilot and two crew. The first Canadian-built S2F's should be completed about mid-1956, when BONAVENTURE is expected to be available.

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The fighter plane at present in R.C.N. service is the Sea Fury. At the end of 1955 these will be replaced by U.S.N. Banshees. Jet pilots are now taking the place of piston pilots, T.33 Canadian-built jet trainers being used until Banshees are received.

There is a small utility section of helicopters which provides for carrier plane guard and reconnaissance from the ice-breaker, H.M.C.S. LABRADOR. The R.C.N. recognises the helicopter as the most effective A.S.W. aircraft of the future, and consideration is now being given to a type of helicopter to be built in Canada as the ultimate A.S.W. plane.

Canadian Naval pilots have been doing their initial training with the R.C.A.F. and their final training in A/S and fighter operations in the U.K. The types of R.C.N. aircraft are now diverging more and more from those in R.N. service, and all-through training in Canada is being given to a greater extent. All-through training in Canada consists of initial training with the R.C.A.F., fighter training at the Naval Air Station or through the R.C.A.F., and A.S.W. training at the Officers' Training Unit attached to Maritime Command.

Provision is made for the active flying training of R.C.N. pilots on the reserve by allocating the equivalent of five squadrons of R.C.N. Harvards to civil flying clubs where the planes are based and maintained. It is intended in due course to turn over some of these squadrons to helicopters.

The Canadian Maritime Command (Coastal Command) at present operates a force of R.C.A.F. Neptune and Britannia long-range aircraft with the principal task of covering the mid-ocean gap between the normal operational limits of land-based planes from either side of the Atlantic. The Maritime Command is commanded jointly by a Rear-Admiral and an Air Commodore from a joint headquarters at Halifax.

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(c) INDIAN NAVY.

Naval Construction.

The Indian Defence Ministry has announced that Hindustani Shipyard Limited, Vizagapatam, will construct a warship (type not specified) for the Indian Navy.

Orders for minor war vessels are being placed on shipbuilding firms at Bombay and Calcutta.

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S E C T I O N II.NAVAL (AND OTHER ARMED FORCES) INTELLIGENCE
INCLUDING TECHNICAL INTELLIGENCE.U.S.S.R.Sighting of Soviet Warships in Yellow Sea.

H.M.C.S. CAYUGA, when in position 33° 45' N 124° 18' E on 11th October, reported sighting a Soviet naval unit comprising two GORDY Class Destroyers, two Coastal Minesweepers and two 'M' Class Submarines proceeding N.N.W.

From this position and course it would appear that the ships were bound either for Port Arthur or Tsingtao.

It is possible that the vessels are being transferred to the Chinese Communist Navy.

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KOREA.Naval Forces.

The South Korean Government is to receive two Destroyer Escorts, four Patrol craft (PCE's), twelve L.S.M's, four L.S.T's, and five miscellaneous craft from the United States under U.S. Military Aid.

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JAPAN.Reduction in Planned Naval Personnel Strength.

The Defence Agency has announced that its plans to expand the personnel strength of the Navy will be pared down by some 2,000 men.

The resultant savings are expected to be used for the purchase of naval aircraft and the construction of naval vessels. The reduction is due to the fact that, instead of the expected 17 naval vessels, only 4 are to be delivered by the U.S.

Responsibilities of Air Self-Defence Force Vis-a-vis Other Forces.

The responsibilities of the Air Self-Defence Force vis-a-vis the Maritime (Navy) and Ground Self-Defence Forces have been defined by the Japanese Defence Board.

The Maritime Self-Defence Force will operate all anti-submarine patrol aircraft and its own helicopters; the Ground Self-Defence Force will operate its own liaison aircraft and helicopters and the Air Self-Defence Force will operate all other types of Service Aircraft.

Initial training of pilots will be undertaken by the Air Self-Defence Force.

The respective forces will be responsible for the administration of the airfields used by them.

Maintenance of aircraft will be the respon-

sibility of the Force operating them, although all advanced maintenance will be undertaken by the Air Self-Defence Force.

The manufacture, procurement and supply of aircraft, and technical administration and research will be the responsibility of the Secretariat Bureau of the National Self-Defence Agency and the Air Self-Defence Force.

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COMMUNIST CHINA.

Port Arthur - Return to Communist China.

It has been reported that the U.S.S.R. will withdraw her forces from Port Arthur by 31st May, 1955. Situated as it is at the tip of Liaotung Peninsula, Port Arthur has a fine strategical position covering the sea approaches to Manchuria and North China.

Established as a Naval base in the late 19th century, Port Arthur has been a base of the Soviet Fifth (South Pacific) Fleet during the last few years. The port consists of two parts, an exposed outer harbour and a land-locked inner harbour. The outer harbour is badly silted up by rivers flowing into it, whereas the inner harbour, 600 yards by 300 yards, offers depths of from 19 to 28 feet and is quayed on all sides. The climate is moderate and the port is not closed by ice.

It is probable that minor and routine repairs to submarines could be effected at Port

Arthur. It is connected by rail and road to Dairen, 20 miles distant. Dairen is a commercial port, but, by reason of its shipbuilding and ship repair potentialities, it would be of extreme importance in backing up Port Arthur.

The flotilla of the Soviet Fifth Fleet which has been based at Port Arthur has consisted largely of submarines and the port is not suitable for vessels larger than destroyers. Berthing facilities alongside are good but no submarine pens are known to exist. A seaplane base was established.

In August, 1945, Soviet forces occupied Port Arthur and under an agreement concluded with the Nationalist Government of China in the same year, they were to remain for a period of 30 years. Under a later agreement with the Chinese Communists, Soviet troops were to remain only until a peace treaty had been concluded between both countries and Japan, or at the latest, until the end of 1952. However, in September, 1952, China "requested" that Soviet troops should remain pending the conclusion of peace treaties between their respective countries and Japan.

Russia has been responsible for the control and defence of the base while China has been responsible for civil affairs.

It is considered that the return of Port Arthur is intended to remove an important difference of opinion between the U.S.S.R. and Communist China.

Conscription.

As a preliminary to a general system of conscription, and to replace men being released from the forces, the Chinese Communist Government is to call up 450,000 men within the next 6 months. Compulsory service is to be 3 years in the Army, 4 years in the Air Force and 5 years in the Navy.

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INDO-CHINA.Vietminh Military Forces.

Following upon the signing of the Geneva Agreement, some interesting figures have emerged indicating the organisation of the Vietminh military forces.

At the time of the signing of the Agreement the Vietminh had the following forces :-

- 185 Battalions of Infantry
- 29 Heavy Battalions (including artillery
and mortar)
- 16 A.A. Battalions
- 430 to 450 Regional Companies (Independent
Companies)

These were grouped into 6 Infantry Divisions and non-divisional troops.

Re-groupment since the cease-fire would appear to give the Vietminh by the end of 1954:-

210 Battalions of Infantry
 33 Heavy Battalions
 16 A.A. Battalions
 General Reserve elements.

This increase in strength is believed to have been gained by :-

- (1) The transfer to the Regular Army of about 10,000 "Popular" Troops.
- (2) The incorporation into the Regulars of 10,000 Vietnamese Army P.O.W. or deserters.
- (3) The re-absorption of about 10,000 Vietminh prisoners and internees handed back by the French.
- (4) The re-grouping of Regional Companies into Battalions.

Equipment believed to be in the hands of the Vietminh and supplied by China comprises :-

Field Guns

105 mm -- 130 to 150
 75 mm -- 70 to 90
 57 & 75 mm (recoil-less) - 788
 70 mm howitzers - 95
MORTARS approx. 2,500
BAZOOKAS -- 650 to 700
AA GUNS
 20 mm -- 20 to 25
 37 mm -- 60 to 80
 40 mm -- 13

The general opinion is that with the re-organized and bigger Vietminh Army fully equipped by the Chinese, Ho Chi Minh has a National Army that has not only proved itself competent to exploit mobility to the full but will also have the weight of numbers to support his unification and expansion policy by intimidation, or to make war if necessary.

INDONESIA.

Naval Visit to Singapore.

It is possible that in the near future the Indonesian Navy will be able to send the training Corvette PATI UNUS (ex H.M.A.S. TAMWORTH) to Singapore.

If this happens, it will be the first visit to a foreign port by a unit of the Indonesian Navy.

Naval Patrol Craft for Indonesia under the Colombo Plan.

The Indonesian Government has asked the Commonwealth Government whether they can have constructed in Australia, or whether they can purchase here, 25 patrol vessels under the Colombo Plan.

The specifications closely resemble those of a Fairmile.

Negotiations for the Purchase of M.T.B's.

Representatives of Norwegian shipbuilding firms have been trying to sell to the Indonesians a new design of M.T.B. powered by Napier "Deltic"

engines. Specifications are; hard chine construction, length 80 feet, beam 24 feet, draft 6 feet. Armament consists of four 21-inch torpedo tubes and two Bofors.

The Indonesians are keen to purchase eight of these craft, but as the engines are not yet available they have placed no definite order. However they would probably have difficulty financing this purchase.

An earlier report stated that the Indonesians had ordered 8 M.T.B's from Saunders-Roe Ltd., but in the light of the current report the earlier report is now open to some doubt.

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U.S.A.

Transfer of Additional Ships to the Pacific Fleet.

It is intended to transfer, early in 1955, U.S.S. MIDWAY (CVA), 16 destroyers and 10 amphibious ships to the West Coast of U.S.A. from the East coast.

The reason given publicly for this re-assignment is that with the additional ships on the Pacific coast, there will be a larger pool to provide for naval commitments in the Western Pacific area and thus by a scheme of rotation of duty, ships can be given longer periods in U.S. waters.

It will be the first time that one of the

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45,000-ton Midway Class carriers has been part of the Pacific Fleet which now consists principally of 15 carriers, 20 cruisers, 125 destroyers and 51 submarines.

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S E C T I O N III.EXTERNAL POLITICAL, POLITICO - MILITARY,
AND ECONOMIC INTELLIGENCE.JAPAN.Decline in Shipbuilding.

The decline in the Japanese shipbuilding industry continues and unemployment amongst shipyard workers is rising.

The main reason for this is the high cost of production and the fact that European yards have now caught up with production and can offer delivery in a much shorter space of time than they could 18 months ago.

Suprisingly, European costs are also lower than the Japanese despite the Japanese advantage of lower labour costs.

Early this year steel plates in Japan were quoted at 123.6 dollars per ton against 90.4 in the U.S. and 85 in Europe and the position has worsened.

The solution for the Japanese shipbuilding industry seems to be in the trend towards amalgamation, with the re-emergence of the old pre-war cartel of shipyard owners who are gradually absorbing the smaller and unprofitable yards. The transition is expected to take some time and in the meantime the economic position is serious.

Japan Jet Company.

The Japan Jet Aircraft Company is to be re-organised as Japan's sole producer of jet aircraft.

A Government-subsidised firm, it is a joint company made up of four engine manufacturers, Mitsubishi, Ishikawajima, Fuji Heavy Industries and Fuji Precision Machinery Company.

Under the re-organisation the Kawasaki Aircraft Company and the Shin-Meiwa Industries will join the engine manufacturers to produce jet air frames.

The Company will produce F86 Sabre Jets with General Electric J-47 engines and T-33 jet trainers with Allison J-33 engines.

INDO-CHINA.Evacuation of Vietminh from South Vietnam.

The Soviet freighters, "STAVROPOL" and "ARCHANGELSK" are reported to have arrived off the coast of South Vietnam to begin the evacuation of Vietminh personnel to North Vietnam.

These vessels were converted at Whampoa and work involved included the decking-in of holds, provision of additional galleys, fitting of ventilation cowls to decked-in holds and the painting of ships dark grey.

A third vessel, the Norwegian "SUNNY PRINCE" (5,375 tons), has proceeded to Hong Kong for fitting-out at Kowloon dockyard prior to assisting with the evacuation.

South Vietnam - Threat to Prime Minister.

It is now apparently a case of "As you were" in the feud between the Chief of Staff of the Army, General Hinh, and the Prime Minister, Ngo Dinh Diem.

For lack of someone better, both the French and the United States are supporting Diem as Prime Minister and General Hinh is continuing as Chief of Staff, though shorn of all political influence.

Vietminh Activity in Laos.

Infringements by the Vietminh of the cease-fire agreement continue and they are now reported to be claiming complete control of Phong Saly and Sam Neua, in Northern Laos.

These are the areas in which the Pathet Lao forces are to be regrouped and under the terms of the agreement are to be returned to the control of the Laotian Government after the evacuation of the regrouped forces. So far, the Communists are making no attempt to evacuate these forces to the North and they are preventing the Laotian Government from exercising any authority in the area and have attacked Government troops who were sent there.

Cao Dai and Hoa Hao Sects of South Vietnam.

During the Government crisis in South Vietnam the religious sects Cao Dai and Hoa Hao have been mentioned firstly as supporters of General Hinh and later as members of the Diem Government,

The importance of these sects has increased since the Geneva conference as the demoralising and disintegrating effect which the division of the country has had upon other non-communist political movements has scarcely touched the Cao Dai and Hoa Hao, which remain the most unified and coherent political force in the South. With the passing of North Vietnam to administration it is to be expected that purely southern movements such as the sects will assume greater influence in the Government of South Vietnam.

The Cao Dai traces its origin back to 1919, when it was formed by a Vietnamese official who claimed that, during a seance, a spirit had revealed itself to him as Cao Dai, the Supreme Being.

Followers of Cao Dai believe that their creed is destined to become the universally-accepted synthesis of the major religions of the world, incorporating into its faith elements of Confucianism, Taoism, Buddhism and Christianity. It is monotheistic, believing in the one Supreme Being, Cao Dai; it teaches anti-materialism and evolution of the soul, and it accepts the existence of Saints, some of these being eminent personages from the West from whose spirits messages have been received, among them Joan of Arc, Shakespeare, George Washington and Victor Hugo!

Cao Dai has attracted a number of influential Annamites to its beliefs and in 1949 its total following was about 1,300,000.

The Hoa Hao sect was formed by a hermit, Huyah Phu So, who emerged from retirement and claimed to be the reincarnation of Phat-Tay, a

celebrated leader in Cochin China in the 19th century, and to possess a divine mission to restore the Buddhist religion. Healer, sorcerer, poet and prophet, Huyah Phu So in no time gained many adherents. He was assassinated by the Vietminh in 1947 and his successor has allied himself to Emperor Bao Dai.

The creed of Hoa Hao is less sophisticated than that of Cao Dai and its adherents are drawn mainly from the peasant class rather than the more educated sections of the community. It has a following of some 600,000.

In general, the sects are essentially Nationalistic and have shown themselves to be both anti-Communist and anti-French. Both sects co-operated with the Japanese, who in return assisted them in establishing their own private armies which number some 15,000 in the case of Cao Dai and 10,000 in the case of Hoa Hao.

The leaders of these sects entered into a formal agreement in 1948 undertaking to defend the interests of Vietnam and to support Bao Dai in obtaining independence within the French Union. They have since played an increasingly important part in Vietnamese politics but have rebuffed all efforts to absorb their private armies into the National Army of Vietnam.

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INDONESIA.

Military Mission.

The Indonesian Government has apparently

given no attention to the question of a foreign military mission replacing the Dutch one, which was withdrawn over six months ago.

The Chief of Staff of the Army feels that there is no need for the importation of a military mission to train Indonesian land forces. However, the Chief of the Air Staff is not satisfied with the training of Indonesian airmen.

It is not possible to train pilots without outside help, yet some of the pilots who were trained in England and U.S.A. got into difficulties with the High Command of the Air Force after their return to Indonesia and entered the service of Garuda Indonesian Airways. In addition there are insufficient planes for the remaining number of airmen, for since the transfer of sovereignty not a single plane has been added to the Indonesian Air Force.

Elections.

Despite the fact that the setting-up of electoral machinery appears to be making progress, several problems face the Government.

Delays have been caused by the protracted negotiations which provincial authorities were forced to enter into with local branches of the various political parties about the membership of electoral committees at the regency and sub-district levels.

Illiteracy, difficulties in communication, shortage of equipment, security disturbances,

lack of co-operation on the part of inhabitants of certain areas (some of whom fear that by registering they may be committing themselves in politics) and the undecided position of the Chinese community are other difficulties with which the Government must contend.

Trade with China.

According to impressions gained from the Indonesian press, commercial circles are not very happy about the prospect of dealing with Communist China. In a recent rubber transaction, Indonesia lost Rupiahs 3 million, and a government subsidy was required in August when rubber was sent to China in the Polish vessel "PULASKI". Doubts have been expressed as to the quality of textiles and machinery being offered by China, who, it is also felt, is not prepared to send a numerous enough or big enough variety of goods to warrant Indonesia losing her profitable markets in the West.

South Moluccan Independence Movement. .

On 4th September, a T.A.A. Engineer sighted a man in the pilot's cabin of a D.C.3. aircraft at the Darwin airport who said that he was checking the electrical system. The stranger then asked if he could use the telephone and permission was granted, whereupon he left the aircraft, jumped into a jeep and drove off at high speed towards the airport gates. Investigation then proved that the aircraft had been made ready for a take-off, and also that four charts indicating a route to the South Moluccas had been dropped in the pilot's cabin.

On 8th September, John Hewston Kennedy, Australian, aged 26 (who had previously informed the police that his name was Andrew Adams, an Indonesian, aged 32) was charged in the Darwin Police Court under the Air Navigation Regulations with having tampered with an aircraft. He pleaded guilty to the charge and was fined £50. or in default two months imprisonment.

The evidence produced before the court was only to substantiate the actual charge, and all matters relating to security were deleted, a separate interrogation being carried out by A.S.I.O. and Special Branch, Northern Territory Police concerning the activities of the South Moluccan Republic. Kennedy is more than a sympathiser in the cause of the Republic of South Molucca; he appears to be a fanatic, and it is believed he will attempt to enter the Moluccas again.

It is known that he has communicated with Dr. J. P. Nikyuluw in Holland, who is in charge of the office of the Government of the Republic of South Moluccas; also that he has attempted to obtain arms and ships in Australia, without capital, but on the promise that if the spice crop is harvested in the Moluccas, payment will be effected.

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PAKISTAN.

Political Developments.

On 21st September, the Pakistan Constituent Assembly passed a bill removing the power of the Governor-General to appoint and remove Ministers,

thus making Cabinet responsible to the legislature and binding the Governor-General to act solely on the advice of the Ministers. It was later revealed that these sudden changes in the Constitution were not initiated by the Cabinet or the Prime Minister, but by a junta in the Muslim League opposed not only to the Governor-General but also to certain members of the Cabinet and even to the Prime Minister, Mohammed Ali.

These developments were accompanied by the revelation that certain elements in the Muslim League were planning to replace Mohammed Ali by Faylur Rahman, Minister for Commerce in the Nazimuddin Cabinet. Rahman, who has recently become a strong man in Pakistani politics, is reported to have condemned the United States/Pakistan Treaty of Friendship on the grounds that it will mean the "colonisation of Pakistan by America."

The climax was reached on 24th October, when the Governor-General, Ghulam Mohammed, declared a state of emergency, dissolved the Cabinet and ordered the dissolution of the Assembly on the grounds that it had lost the confidence of the people and the constitutional machinery had broken down. Until elections can be organised the administration of the country will be carried on by a reconstituted Cabinet. Mohammed Ali, who cut short his tour of America and returned to Karachi to meet the challenge to his leadership, has accepted the invitation to form a new Cabinet.

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SECTION IV.AUSTRALIA STATION INTELLIGENCE.CALTEX OIL (AUST) PTY. LTD'S OIL REFINERY, KURNELL,
BOTANY BAY (NEW SOUTH WALES).

With reference to A.S.I.S. No.21, Page 5, the Staff Officer (Intelligence), Sydney, was a member of a representative Naval party which paid a visit to the above refinery on 14th September.

The following are some extracts from S.O.(I) Sydney's report :-

"On an area of 260 acres between Kurnell Park and Cronulla, Messrs. E. B. Badger and Sons Pty.Ltd., an English firm, are constructing a modern oil refinery along the lines of those at Fawley (England) and Altona (Victoria). To serve this plant a New Zealand firm is constructing a splendid 3,700 feet-long concrete jetty and a Dutch firm is dredging the inshore approaches.

When opened for business in July, 1955, the refinery will be able to accept 5 tanker loads of crude oil, 6 million imperial gallons into its tanks at one time. These tankers will, of course, berth alongside the new jetty whilst discharging. The crude oil will be broken-down into the numerous by-products of petroleum, for which a catalytic cracking plant is being installed, and the refined oil will be pumped into large tanks in a tank farm overlooking the plant. This oil will then flow in two directions, that for other States being shipped away in tankers and that for the Sydney

area being pumped by submarine pipe underneath Botany Bay to a point about one mile west of Bunnerong Power House, from where it will be distributed by road tanker.

The refinery, when fully operative, will handle 22,000 barrels of crude oil per day and save Australia some 130 million dollars annually. At present there are 60 American technicians employed in the construction of the plant; but after the official opening and preliminary "teething" troubles all employees will be Australian. The company has had to overcome many difficulties such as inadequate approach roads, sand and dust blowing everywhere, and clashes with local government bodies. Fortunately all the differences with local government bodies have now been happily settled; but not before Caltex had to build a £150,000 road into the area."

NEW ELECTRICAL FACTORY AT WHYALLA.

C. A. Parsons (Aust.) Pty.Ltd., a subsidiary of the British company of electrical and general engineers at Newcastle-on-Tyne, have opened a factory at Whyalla. Condensers and water heating equipment for generating plant will be manufactured at first, followed later by turbo-generators.

The company has a £10. million contract to supply generating plant to large electrical engineering projects throughout the Commonwealth. Homes for selected British workmen who will be employed by Parsons have been completed at Whyalla and already 40 families have arrived and taken up residence.

CLOSING-DOWN OF ZINC ROASTING PLANT AT PORT PIRIE.

After having been in operation for 30 years, the zinc roasting plant at Port Pirie operated by Broken Hill Associated Smelters for the Electrolytic Zinc Co. of Australia Limited has closed down, the plant having become obsolete.

Electrolytic Zinc will now ship zinc concentrates from Port Pirie for treatment at Risdon (Tasmania).

POSSIBLE NEW DEEPWATER PORT, S.E. COAST OF SOUTH AUSTRALIA.

Southend, 15 miles west of Millicent and on the southern end of Rivoli Bay, will be investigated as a possible site for the proposed deep sea port in the South East of South Australia. Announcing this in Parliament the South Australian Premier stated that this site offered a relatively sheltered position, but it would be necessary to dredge about a mile of the fairway before ships would be able to come in.

VISIT OF VICE-ADMIRAL BARJOT.

Vice-Admiral Pierre Barjot, the Commander-in-Chief of the Indian Ocean Zone (French), with headquarters at Madagascar, recently paid a visit to H.M.A. Naval Establishments, Sydney, H.M.A.S. ALBATROSS and Navy Office, Melbourne.

He was accompanied by two French Naval Officers, (Capitaine de Corvette Kerviller and Lieutenants de Vaisseau Muraccioli), an Army

Officer (Colonel Frey) and a civilian adviser (M. Schaffhauser).

STANDARD-VACUUM REFINING CO. LTD.-PRODUCTION OF AVIATION SPIRIT AT ALTONA REFINERY, PORT PHILLIP BAY, VICTORIA.

The Standard-Vacuum Refining Co. Ltd., is preparing plans for the extension of its refinery at Altona to provide for an alkylation plant having a production capacity of 20 million gallons of aviation spirit annually. At the present rate of consumption this would supply about 50 per cent of Australia's military and civil needs.

The construction of the alkylation plant and auxiliary equipment will be carried out by Braun Transworld Corporation. More than 400 men will be engaged on the new project, which will take about eighteen months to complete.

The sulphuric acid required in the processing of the aviation spirit will be supplied by Commonwealth Fertilisers and Chemicals Limited.

The entire output of aviation spirit from the refinery will be distributed by the Vacuum Oil Co. Pty. Ltd., after transfer to its Yarraville terminal by pipe-line.

CYCLONE WARNING RADAR STATIONS FOR QUEENSLAND.

During the cyclonic season 1955/1956 three radar warning stations should be in operation in Queensland. One will be situated at the Brisbane Airport, Eagle Farm, the second at Townsville and

the third, probably, at Gladstone. They will have a range of 100 miles.

Each station will be equipped with Type 277 radar sets which were purchased from the Navy in 1946. Four observers will man each station and forward plots to the Meteorological Bureau, Brisbane.

When in full operation, these stations should enable the Weather Bureau to plot the movements of various cyclones off the Queensland coast with greater accuracy. The desirability of additional aids was demonstrated recently when three cyclonic depressions of a complex system were reported off the coast at the one time and it was impracticable to obtain a clear weather picture.

These radar stations being capable of plotting aircraft and surface vessels should be of advantage in an emergency.

NAVAL OIL FUEL INSTALLATIONS, CAIRNS AND TOWNSVILLE.

Cairns.

Repairs to the 12" Furnace Fuel Oil pipeline by renewal of approximately 700 feet of corroded line in the salt pan area fronting Shell Co. Installation, between Alligator Creek Bridge and Bunda Street, were completed on 23rd September. The Installation is again open for issue of Furnace Fuel.

Repairs to the 8" Distillate lines by renewal of approximately 400 ft. fronting Shell Co. Depot have not yet commenced.

Townsville.

It is proposed to commence repairs, by renewal of approximately 80 feet of the 13" Furnace Fuel pipeline to the Main (Eastern) Pier, on approximately 8th November.

The 13" pipeline to the Western (concrete) Pier will also require minor repairs by welding. The probable duration is one month, but during repairs it is hoped that arrangements will be made for fuel to be available for issue.

NORTHERN TERRITORY.New Darwin Wharf.

John Howard & Co., contractors for the erection of the new wharf, state that it is unlikely that the project will be completed this year. It was previously anticipated that the first stage of the wharf would be completed in July, but this has been held up by timber delays. Had this section been completed, vessels could have discharged alongside. The main portion of the construction should be completed in approximately six weeks, but even after timber and other supplies are delivered decking and other minor but vital work will take some months to complete.

Boom Jetty, Darwin.

Repairs to the Boom Jetty are proceeding favourably and it is now anticipated it will be ready for use in approximately three weeks. After this time, however, work will still continue on

the installation of new fender piles and the new dolphin.

Creek Sponge Divers.

The experiment to introduce Greek sponge divers to the Darwin pearling industry has failed. These divers were transported to Australia by the Commonwealth Government as assisted migrants, to work for a firm of Master Pearlmen in Darwin, Messrs. Haritos Bros., in an endeavour to boost the local pearling industry. It is understood that the work proved too strenuous and although they tried, they were unable to accustom themselves to the changed conditions, and were paid off by mutual consent.

Town Development.

A building boom is being experienced in Darwin. Shops, houses, offices, banks and clubs, estimated to total more than £1½ million, are either under construction, or their erection planned in the near future.

An outstanding feature is the large proportion of new constructions being undertaken by private enterprise.

DUTCH NEW GUINEA.

Development Plan.

After two year's work, a special Commission of the Netherlands Government has produced a 10-year development plan for Dutch - New Guinea.

The plan, which has yet to be debated by the Netherlands Parliament, provides tentatively that the Government will set up agricultural, forestry and cattle-breeding stations at Bird Head, north-west and south-west coastal plains and the inland regions of Membrano, Klamono and Muturi; provides prospectors for nickel, chrome, cobalt and coal; encourages planters to extend rice and cocoa-growing areas; hastens education to bring more natives into the civil service; and increases oil production from Klamono and Muturi.

Government and private enterprise finance for the scheme is proposed, the Government to encourage investment and development with tax relief and subsidies, and the building of roads and ports.

As part of the development plan the Dutch New Guinea Communications Department has improved an airstrip near Manokwari which will be used as an alternative to Biak.

The Manokwari airstrip was used by the Japanese during the war and was chosen by the Dutch for improvement as the first of a number of strips to be provided in North and North-West Dutch New Guinea.

Naval.

The destroyer PIET HEIN and the Survey Ship LUYMES have now arrived in Dutch New Guinea waters.

They relieved VAN KINSBERGEN and SNELLIUS respectively.

SHIPPING INFORMATION.New Dutch Shipping Service.

The General Manager of Royal Interocean Lines announced recently the inauguration of a new shipping service from Australia to Ceylon, India and Pakistan.

The vessel STRAAT BANKA has pioneered the service, which will use a minimum of three ships. Another vessel named for the service is the STRAAT MAKASSAR.

Launching of "NILPENA".

A new cargo ship, the NILPENA, specially built for for the Australian Shipping Board by James Lamont of Greenock, was successfully launched on the Clyde on 3rd September.

Miss Lilian White, daughter of the Australian High Commissioner in London, Sir Thomas White, performed the christening ceremony.

The NILPENA, a general cargo vessel of 1,650 tons dead weight, will be completed by the end of November, and should reach Australia next January.

Tour of "JAMES COOK" to Manila.

The Philippines tug "ALBACORE" arrived Sydney on 4th September and departed with the vessel "JAMES COOK" in tow on 8th September, 1954, for Manila via Torres Strait. The "JAMES COOK" was renamed "PHILIPPINE TRADER" prior to her departure.

S.S. "WYRALLAH".

The Brisbane shipping firm of John Burke Ltd. has purchased S.S. "WYRALLAH", a vessel of 1049 gross tons, from the North Coast Steam Navigation Company Limited, which is now in liquidation.

The present indication is that the ship will be re-commissioned in Sydney and will operate between Sydney, Brisbane, Rockhampton and Mackay but this itinerary may be modified.

LAUNCHING OF "YARRUNGA".

On 2nd October the "YARRUNGA", the 25th ship to be built at Whyalla, was launched. She is a sister ship to the "YANDERRA" which was launched on 23rd January. The "YARRUNGA" has successfully completed dock trials and when she has been completely fitted out she will join the Commonwealth Shipping Line and will be used for the interstate trade.

S E C T I O N V.S P E C I A L A R T I C L E S .

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

THE DUTCH NEW GUINEA QUESTION.

At The Hague Agreement of November, 1949, which set up the United States of Indonesia (later changed in August 1950, to a unified State in the form of the Republic of Indonesia), it was provided that Dutch New Guinea should remain outside the Republic as a Dutch Territory, but that its future status should be settled before 31st December, 1950.

In November 1950, August 1951 and January 1952, discussions between the Dutch and Indonesians on Netherlands-Indonesian Union questions all broke down when Dutch New Guinea was mentioned. On 30th October 1952 the Dutch declared categorically that they had no intention of relinquishing sovereignty, and that they saw no point in resuming discussions with Indonesia on the status of the Territory.

On August 10th this year the Dutch-Indonesian Union was dissolved and once again a discordant note was evident when the status of Dutch New Guinea was raised by the Indonesians. Hence the present representation of the matter before the U.N. Assembly.

During this period of disputes the Dutch began to display increased interest in the potentialities

of Dutch New Guinea, and formed a Committee consisting of representatives of large-scale commercial interests to co-ordinate the efforts of various groups who wished to make Dutch New Guinea their home under the Dutch Crown.

By a decree dated 29th December 1949, the Netherlands Government provided a constitution for Dutch New Guinea, and a Supreme Court and Advisory Committee on Native Affairs were inaugurated in 1950.

Dutch policy over the past few years has been one of retention, and work of some magnitude has progressed on both defence and civil projects.

The Dutch case against the incorporation of Dutch New Guinea in the Republic of Indonesia is that the natives are a backward people incapable of self-government, whose interests the Dutch are better able to safeguard than the Indonesians, whose capacity to govern has yet to be developed and proved. Moreover, ethnologically the New Guinea natives differ from the Indonesians and have no affinities with them.

The Indonesian claim is that whatever the excellence of the Dutch as colonists may be, they have so far failed to exhibit these qualities in Dutch New Guinea (or 'Irian', as they call it). They themselves can do no less and no worse than the Dutch. They also claim that the argument that the Dutch should retain New Guinea because its inhabitants are not Indonesian is specious.

A major difficulty has been that, whereas in 1946 the Dutch and Indonesians agreed that it was competent for any area to elect by democratic pro-

cess to remain outside the Republic, no "democratic process" is possible to determine the wishes, if any, of the indigenous people of Dutch New Guinea. In fact, the question of overall ownership of the Territory has little or no significance to the natives. Nor, in view of the low level of intelligence and social organisation and the diversity of tongues, is there any possibility of the development, through mass propaganda, of a nationalistic movement.

The question of Dutch New Guinea has, since 1949, been on the list of matters of which the Security Council has been seized.

On 18th August this year Indonesia formally requested the United Nations General Assembly to include the item "The Question of Irian" in the provisional agenda for the Ninth Session. Indonesia requested that the Assembly be given the item "its consideration, and make appropriate recommendations".

On 21st September the Assembly convened and after preliminary discussions and the election of a President, considered the Indonesian request, and, although the Dutch and Australian delegations argued against its inclusion in the Agenda, the Assembly vote was in the affirmative. This means in effect that the Assembly will discuss Indonesia's claim at a later date and make any recommendations to the two parties as it sees fit.

Australia's arguments at the U.N. Assembly were based on the following lines :-

- (a) To bring the status of Dutch New Guinea in before the U.N. for discussion would

prove unsettling both internationally and locally.

- (b) The interests of the natives are best served by the Dutch Administration.
- (c) The United Nations is fully aware of the situation in the area due to yearly reports by the Dutch to the U.N. on it.
- (d) Indonesia has no ethnic or other claims to the Territory.
- (e) No threat to international peace or security is involved.

Governing Australia's attitude towards the question is, of course, her dislike of the prospect of seeing set up in territory immediately adjacent to Australian New Guinea an Administration which is unlikely to provide stable government and which is non-European.

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THE CONSTITUTION OF COMMUNIST CHINA.

On 15th September the first session of the First Chinese National People's Congress (NPC) was opened in Peking. The most important tasks performed during this session were the formal adoption of the first Constitution of the People's Republic of China and the election of members of the Government in accordance with it.

The new Constitution is based on a draft pre-

pared by the Central Committee of the Chinese Communist Party last March and was published for public examination and criticism on 14th June. It is a development from the Common Programme and Organic Laws which were drawn up by the Chinese People's Political Consultative Conference (PPCC) in September, 1949 to serve as a constitution during the period of the "people's revolutionary struggle" and reproduces most of the basic features of these documents without introducing any radical changes. As it is explicitly designed to cover the "period of transition" to a Socialist state the Constitution is, by inference, not intended to be permanent and will presumably be replaced by a further Constitution if and when a Socialist state is attained.

The Constitution is the expression of an extremely centralised conception of the State. The administrative structure set out in the Constitution is based on the established Communist principle of "democratic centralism", which in practice means the rigid obedience of all local authorities to their superior authorities in the government hierarchy. There is no provision made for any administrative unit larger than the province and the promised autonomy of the Local People's Congresses is negated by the creation of Councils at each level to act as administrative organs of state with the duty to suspend, revise or annul any action of the Local Government which is objectionable to the Central Authority. Autonomous regions are described as "inseparable members of the state" being denied even the theoretical right to secession enjoyed by their counterparts in the U.S.S.R.

Government machinery runs largely parallel to that established under the Common Programme which was the expression of the intentions of the Communist Party. The N.P.C. has replaced the C.P.P.C.C. which served as a sort of parliament under the previous governmental system, and has roughly the same functions and powers. The Congress has a term of office of four years and must be convened at least once every year during that term. There are 1,226 deputies, of whom 30 represent overseas Chinese and 60 represent army congresses.

It is part of the function of the N.P.C. to elect the Chairman and Vice-Chairman of the Republic, appoint the members of the State Council and elect the Standing Committee of the N.P.C. Mao Tse Tung has been re-elected Chairman of the Republic and Chu Teh, Commander-in-Chief of the Armed Forces and a Vice-Chairman in the previous government, has been elected Vice-Chairman. The appointment of Chu Teh to this office is significant of his position in the government and Party, particularly as the number of Vice-Chairmen has been reduced from six in the previous government to one under the new Constitution. The term of office for both Chairman and Vice-Chairman is four years and the Vice-Chairman automatically succeeds to the office of Chairman should it fall vacant during the term.

The Chairman is endowed with wide powers in that, subject to the approval of the N.P.C., he appoints and removes the Premier, Vice-Premier and Ministers, commands the armed forces and presides over the National Defence Council. He can also convene a Supreme State Conference in time of emergency and preside over its meetings. This Con-

ference would also be attended by the Vice-Chairman, the Chairman of the Standing Committee and the Premier of the State Council.

The highest legislative body in the government is the Standing Committee of the N.P.C. which replaces the Chinese People's Government Council as the permanent committee of the Congress. It is the function of the Standing Committee to convene sessions of the N.P.C. and to represent Congress when that is not in session. The Standing Committee conducts the election of deputies when the four year term of Congress is completed and retains its functions and powers until the succeeding Congress elects a new Standing Committee. Liu-Shao-Chi, previously one of the six Vice-Chairmen and Secretary-General of the Communist Party has been appointed Chairman of the Standing Committee.

The highest administrative organ of state is the State Council which replaces the State Administrative Council as the "executive body of the supreme organ of state". This Council is composed of the Premier, Vice-Premier, Ministers and Chairmen of N.P.C. Commission. Chou En Lai, who was Prime Minister and head of the State Administrative Council has been appointed Premier of the State Council. Under the new Constitution there is a more definite separation of executive from legislative powers, and although the State Council has the same powers over the various ministries and commissions as those held by the State Administrative Council it appears, though this is not stated in the Constitution, that it will enjoy a higher status. If this is so it will entail greater importance to the office of Premier.

In the previous government the supreme military command of the state was vested in the Revolutionary Military Council which was completely separate from the legislative and executive branches of the government. This Council has been abolished and a National Defence Council set up. However, the character and significance of the National Defence Council are not yet clearly determined. It is presided over by the Chairman of the Republic who commands the armed forces, and there are close links with the Revolutionary Military Council insofar as eleven of the fifteen Vice-Chairmen of the National Defence Council were Vice-Chairmen of the previous council. But its relationship to the State Council which is responsible for the "building up of the armed forces", is not defined.

A great deal of importance has been placed by Chinese political leaders on the democratic nature of the governmental system set up under the new Constitution and especially on the fact that the National People's Congress was elected by universal suffrage and represents all sections of the community. However, although constitutionally the N.P.C. is the final court of appeal it seems likely that the actual power of government will be contained in the hands of a small group. The N.P.C. will be convened only at the instigation of the Standing Committee or one-fifth of the members of Congress. When the N.P.C. is not in session all power is concentrated in the Standing Committee, the State Council and the Chairman of the Republic. It is extremely probable that this small group will wield the political power.

It is interesting that the the Chinese Communist Party, although the originator of the first draft of

the constitution has been granted no specific constitutional sanction such as was granted to the Communist Party in the U.S.S.R. However this is unlikely to make any difference to the controlling influence exercised by the Party at all levels and apparent in the election of the leading party members to the key government positions.

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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