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# Australia Station Intelligence Summary



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*Naval Intelligence Division  
Navy Office  
Melbourne*

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SECTION I.

R.A.N. AND OTHER COMMONWEALTH NAVIES.

(a) ROYAL AUSTRALIAN NAVY.

H.M.A.S. VENGEANCE.

After taking on board Meteor aircraft, stores and personnel of R.A.A.F. No. 77 Squadron, VENGEANCE sailed from Yokosuka, Japan, on 19th November for Sydney, where she is due to arrive on 3rd December.

H.M.A.S. HAWKESBURY.

HAWKESBURY returned to Manus on 12th November after carrying out a 23-day cruise in Islands waters. HAWKESBURY remained at Manus until 25th November, when she sailed for a cruise to the Western Islands (Hermits and Ninigos) and the north coast of New Guinea. She is due to return to Manus on 5th December.

Survey Ships.

BARCOO, with her tender BROLGA, sailed from Sydney on 14th November for Backstairs Passage (between Kangaroo Island and the South Australian mainland) and arrived on 19th November to carry out a hydrographic survey.

WARREGO, in company with WARREEN, will commence a survey in December in the area between Montague Island, off the southern N.S.W. coast, and Cape Howe.

Both ships will return to Sydney for Christmas

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leave, after which BARCOO will return to Backstairs Passage, and WARREGO will begin survey near Cape Otway on the south-west Victorian coast. These tasks will occupy them until the middle of March.

H.M.A.S. MILDURA.

MILDURA, towed by SPRIGHTLY, will leave Sydney for Brisbane on 7th December, and will be allocated to R.N.O. Queensland for use as an immobilised Reserve Training Ship.

R.A.F.A. TIDE AUSTRAL.

The present estimated completion date of the tanker TIDE AUSTRAL is February/March 1955.

H.M.S. ALERT.

H.M.S. ALERT, wearing the flag of the C.-in-C., Far East Station, Admiral Sir Charles Lambe, K.C.B., C.V.O., arrived in Darwin from Singapore on 20th November. On the same day the flag was hauled down in ALERT and the C.-in-C. departed for Melbourne to visit Navy Office.

On 21st November ALERT sailed from Darwin for Hong Kong, calling en route at Dili, Portuguese Timor (23rd-25th November), and Sandakan, British North Borneo (30th November-2nd December).

Visit by Burmese Naval Officers.

In October a party of Burmese naval officers

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visited Australia and were shown over some of H.M.A. Naval Establishments. On 15th October Lieut.-Cdr. Aung Thane and Lieut.-Cdr. Aung Khin visited Garden Island Naval Dockyard and were shown the workshops, wharves, floating dock and Captain Cook Dock. Lieut.-Cdr. Aung Thane had had prior experience of a large naval dockyard, having spent some months at Devonport, England.

Visit of H.M.A.S. SHOALHAVEN TO Kobe.

SHOALHAVEN visited Kobe between 25th September and 2nd October, and in the following extracts from his Report of Proceedings the Captain (Lieut.Cdr. M.J. Lee, D.S.C., R.A.N.) recounts his impressions of that city :

"Kobe, a picturesque city situated on the north-east shore of the Inland Sea, at the foot of the Rokko Mountains, is Japan's largest trade port. It is recorded that the harbour works were first started early in the nineteenth century. Development of the port was slow until 1868, when Japan opened her country to foreign trade. Since then progress has been rapid. The population increased from 30,000 at that time to almost one million in 1940. This figure fell to about 400,000 in 1945 due to the evacuation and casualties from Allied bombing, but is again very close to one million.

"The British community, which numbers about 300, was most hospitable during SHOALHAVEN's stay and arranged for a good deal of entertainment for the ship. I accepted an invitation from Mr.



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Ishihara, the Deputy Mayor, to a "Sukiyaki" dinner in a Japanese hotel on 25th September. "Sukiyaki"-beef and vegetables cooked at the table - is a dish introduced to Japan about 60 years ago by and for foreigners. It has become so popular that it is often believed to be of Japanese origin. It was, and in some quarters still is contrary to Japanese religious belief to eat red meat. I regard this belief as being most unfortunate for the Japanese people as Kobe beef is renowned as being the world's best."

On another occasion the Director of the Kawasaki Dockyard invited the Captain and his Engineer Officer to a Sukiyaki dinner in a private room of a small Japanese hotel. These hotels with their rock gardens, dwarfed trees and shrubs, gold fish pools and illuminated lanterns, are most attractive.

On 1st October the Captain viewed a performance of the Takarazuka Revue Company at their theatre some distance outside Kobe. Every month in this theatre, which can seat four thousand, new shows are staged alternately by members of the "Flower", "Snow", "Moon" and "Star" all-girl troupes. The performance usually consists of one Japanese classical opera and one Western-style revue. On this occasion the "Moon" troupe performed the "Elegy of Autumn", an opera based on the Japanese legend that foxes could assume human form, and "Broadway Cinderella", a musical comedy in twenty scenes. The Captain of SHOALHAVEN has commented that the scenery, acting, singing, dancing and lighting effects were equal to the best that he has seen.

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"SATEX".

The tropical peace of Seeadler Harbour, Manus Island, was disturbed on 12th October by the largest congregation of ships there since the war. On that day there arrived the cruiser BIRMINGHAM, wearing the flag of the Flag Officer Second in Command, Far East; DEFENDER, CONCORD, CONSORT, COMUS, COCKADE and the R.F.A.'s WAVE PREMIER and FORT CHARLOTTE - all from Hong Kong; H.M. Submarines THOROUGH (from Sydney) and TACTICIAN (from Singapore); H.M.A. Ships SYDNEY, TOBRUK, ANZAC and QUADRANT - all from Sydney; HAWKESBURY - from Darwin; ARUNTA - from service in Korea.

All these ships had gathered to exercise with Numbers 10 and 11 R.A.A.F. Squadrons in Joint Anti-Submarine operations, entitled "SATEX". The preliminary exercises had already been held; the main serials were yet to come.

The training period had been divided into three phases of five serials. The first had been a simple exercise designed to test the efficiency of the Temporary Maritime Headquarters which had been set up at Momote, to iron out the communications problems, and at the same time to give the ships and M/R aircraft and submarines some training in their various roles. All this it achieved, despite a diversion caused by one of SYDNEY's search aircraft reporting a submarine about 50 miles north-west of Kavieng, when in actual fact THOROUGH (the only submarine in this particular phase) was on the Carrier Patrol Group's line of advance.



The second serial, which was in the second phase of the exercises, was a combined Anti-Submarine operation combined with a surface force clash between a Carrier Patrol Group consisting of SYDNEY, ANZAC, TOBRUK, QUADRANT, HAWKESBURY, and a convoy escort of BIRMINGHAM, DEFENDER, CONCORD, COMUS, and ARUNTA. In training of this nature it is, of course, not possible to create true-to-life situations; thus in this particular section two destroyers and a fast frigate were found doing a night torpedo attack on a superior enemy surface force; and later a convoy without air cover blithely sailed within range of "enemy" carrier-and shore-based aircraft.

The third serial was a return trip to Manus from a position about 300 miles to the north-west. All ships joined together as a convoy escort. The "convoy", which in fact consisted of one ship only (WAVE PREMIER), was supposedly of 20 ships, with SYDNEY operating in the "box". The two submarines made several attacks, and much useful practice was gained. The distant and indirect support given by the shore-based Maritime Reconnaissance aircraft during the day, and the close support to a threatened convoy by night showed very clearly the complementary roles of the serials.

One interesting and unusual episode occurred when a Firefly suddenly saw a submerged submarine just outside the screen. He went into a tight circle to keep it in view, and a helicopter, quickest to his assistance, was able to act as an "on top" marker for the Surface Attack Unit. Apart from this occasion, conventional methods were used.



For the purpose of the exercise, the main serial, in which all ships took part, was unrealistic in its setting. It consisted of a succession of convoys passing through a focal area. Two submarines were operating there, and a raider was able to race in and wreak havoc on the convoy! The Carrier Patrol Group and the remainder of the surface forces were protecting these convoys and hunting the submarines. Again the shore-and carrier-based aircraft provided distant, indirect or close support as required. The convoys were represented by FORT CHARLOTTE and WAVE PREMIER who traced a triangle, each leg of which formed a different convoy. This was to enable the submarines to take short cuts to intercept each convoy in turn.

During this exercise, the constant coverage by both shore-and carrier-based aircraft so swamped the area that the submarines had difficulty in moving at all. Further, they were obliged, for safety reasons, to make a "check" report every day, and the atmospheric conditions in the area were often against rapid communication on certain frequencies.

Throughout the whole period the submarines were worked incessantly. They were last into harbour and first away. To them the whole sea seemed full of ships and high speed escorts, and the air was full of aircraft. They were harassed night and day, and on several occasions were obliged to ask for relief to recharge their batteries. They acquitted themselves well and showed the magnitude of the threat to merchant shipping and escorts even from what one must regard as an obsolescent, if not an obsolete, type of submarine.

(b) ROYAL CANADIAN NAVY,St. Laurent Class Destroyer Escorts.

This is a new and original Canadian design of destroyer escort. The building of fourteen of these vessels for the R.C.N. is the backbone of the new construction programme in Canadian shipyards. The ships will be 367 feet overall, with a beam of 42 feet and a full load displacement of 2,600 tons. Twin-turbines, each of 15,000 S.H.P., will give the vessels a full speed of 28 knots; twin rudders will be provided for good manoeuvrability. The gun armament initially will be two 3"/50 mountings disposed one forward and one aft. Later it is intended to replace the forward 3"/50 mounting by a 3"/70. The A.S.W. armament will consist of two Limbo mountings which will be carried aft in a well, and four U.S. Mark 35 A/A torpedo mountings sited two on each side in a superstructure about one-third of the ship's length from aft. U.S. radar equipment will be used and the A/S detection (sound) gear will be British.

The first two vessels of this class, to be named ST. LAURENT and OTTAWA, are being built at Canadian Vickers Shipyard and will be completed in 1955. Others are at present being constructed in other shipyards. They are of welded construction, are completely air-conditioned, and thus will have no scuttle openings. The forecastle is built with turtle-back sides, and the plates joining the weather deck to the ship's side are also rounded. In addition to the advantage of strength which is given by this type of expensive construction, it is expect-



ed that it will have an advantage in a seaway and in providing a clean surface for washing off radioactive contamination. The anchors house within the ship's side, and when secured will be covered by a side-plate door. The forecastle deck is similarly eight feet higher than a destroyer's forecastle, and the upper deck is similarly higher. The breakwater is continued aft either side right to the forward superstructure. The command position will be an enclosed one, but an open conning position is also being provided. The vessels will have square sterns.

#### Canadian Minesweepers (A.M.C's)

Owing to eddy currents, the Canadian A.M.C's (made of wood and aluminium) do not get as low a milligauss signature as ships of equivalent U.S.N. type, but they suit the R.C.N's needs in relation to the depths of water to be swept. Canadian A.M.C's have a sweeping speed of 12 knots, whereas similar ships in the U.S.N. are capable of sweeping speeds of only 8 knots. Canadian A.M.C's are 152 feet overall, with a beam of 28 feet, a draught of 9 feet 6 inches and a displacement of about 350 tons. Their propulsion machinery is twin-screw diesel with reduction gear. Upkeep and readiness of several of these A.M.C's has been provided, instead of reserve status, by allocating them as tenders to Naval Districts.

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SECTION II.NAVAL (AND OTHER ARMED FORCES)  
INTELLIGENCE, INCLUDING TECHNICAL INTELLIGENCE.U.S.S.R.Soviet M.T.B's at Dairen.

According to a recent reliable report, eight M.T.B's flying the Soviet Ensign arrived at Dairen on 11th October and sailed on the same night. The Flotilla Leader carried the pennant number 777.

All had two torpedo tubes, depth charges in racks on the stern and were armed with twin AA guns aft and a single gun in shield on the bridge structure. Five of the vessels were fitted with bulb-type radar at the masthead. Crew appeared to be dressed in Soviet winter uniform; some wore overalls and anti-flash helmets.

Sakhalin - Local Defence.

A press report from Tokyo (which may possibly have originated from Chinese Nationalist sources) states that prior to visiting Peking, Marshal Bulganin (Soviet Defence Minister) inspected a large new underground air base on Sakhalin.

The Soviet is also reported to have built a large installation on Sakhalin for the launching of guided missiles.



NORTH KOREA.Strengthening of North Korean Armed Forces.

The Chinese Nationalist press claims that agreement has been reached between North Korea and the Soviet Union for the strengthening of the North Korean Armed Forces.

The main points of the agreement are reported to be :-

- (a) North Korea will form 12 new Divisions from the militia, giving them six months training before June 1955. The U.S.S.R. will supply the equipment. (The ability of North Korea to raise 12 Divisions is very much open to question).
- (b) North Korea will be supplied with two fighter groups and one bomber group before June 1955. They will be manned by Chinese until Koreans are trained to take their place.
- (c) An unspecified number of Soviet warships will be handed over to the North Koreans.

The reliability of the report is open to doubt but it is to be expected that the Soviet and North Korea will take some action to counteract U.S. Military and economic aid to South Korea.

SOUTH KOREA.U.S. Army to Evacuate Pusan.

The U.S. 8th Army is to evacuate Pusan and transfer to Inchon.

All port and railway facilities at Pusan are to be turned over to the Republic of Korea.

The port of Inchon will also become the United Nations Lines of Communications base.

JAPAN.Fleet Command.

Rear-Admiral Hedima YOSHIDA has been appointed to command the seagoing element of the Maritime Self-Defence Force (Navy).

Rear-Admiral YOSHIDA has been in command of the 1st Combined Fleet and previous to that appointment was Flag Officer Commanding Taura Regional HQ. He was a Torpedo Officer and later a Destroyer Captain during World War II. His English is limited and he is believed to be in ill-health.

Building of Naval Vessels.

A start is to be made early in 1955 on the construction in Japanese shipyards of the first purely naval vessels built in Japan since 1945. These will be two 1,600-ton destroyers of the same



type as the Benson Class recently lent by the U.S.

There are plans for a considerable increase in armament on both the loan vessels and those to be built. Details are not yet available.

#### Jet Engine Production.

The Japan Jet Engine Company has completed the manufacture of Japan's first turbojet engine.

Known as the JO-1, the engine is capable of 12,000 r.p.m. with a maximum static thrust of 2,000 lbs.

All parts of the engine were made in Japan and the Company hopes to install the engine in Japanese-built aircraft after the completion of tests.

#### Military Aid.

Press reports from the U.S. state that the total value of arms to be supplied by the U.S. to Japan in 1955 will be about 10 million dollars. The Naval Air Arm is to receive 40 anti-submarine type aircraft, including four long-range radar-equipped Neptunes.

Army weapons will include 170 Sherman tanks, 150 mm cannons and some radar-controlled 90 mm AA guns.

Emphasis appears to be on the Naval Air and AA sides, although the Ground Forces are to be considerably modernised.

NATIONALIST CHINA.KMT Vessel sunk.

The Chinese Nationalist Destroyer Escort T'AI PING has been sunk near the Tachen Islands. Four Communist Chinese torpedo boats 'jumped' the KMT vessel while it was on a routine patrol duty in the East China Sea.

Peking claims that in the past two months it has damaged three other destroyers and a gunboat, shot down 21 Nationalist planes and damaged 67.

INDO CHINA.French Naval Re-organisation in Far East.

The Services Attache, Saigon, reports that the following French Naval vessels are to be withdrawn from Indo-China shortly :-

Carrier	.....	DIXMUDE (Since reported en route)
Frigates	.....	SAVORGNAN DE BRAZZA COMMANDANT DOMINE (en route) COMMANDANT AMYOT D'INVILLE (en route)
L.S.T.	.....	VIRE
Repair Ship	.....	JULES VERNE

The Carrier ARROMANCHES and the cruiser GLOIRE have already been withdrawn and two additional L.S.S.L's are to be transferred to the



Vietnamese Navy and one Escort Vessel has been transferred to the Cambodian flag.

The Vietnamese Naval River Force is to man posts at HUE, QUANG NGAI, TAM KY FOIFO, MYTHO, CANTHO and VINH LONG with three Dinassauts. (A Dinassaut generally consists of an L.S.I.L., and L.C.T., 2 or 3 L.C.M's and a varying number of L.C.V.P's).

The Cambodian Naval River Force is to man posts at PHNOM PENH, REAM and LEM DAM with 1 x 52-ft Harbour Defence Launch, 3 L.C.M's and 24 L.C.V.P's.

#### Naval Air.

The French Naval Air strength as at 28th October was :-

- 1 Squadron of 21 Corsairs (5 Reserve)
- 1 Squadron of 12 Privateers (4 Reserve)
- 1 Squadron of 11 Grumman Goose (3 Reserve)
- 1 Section of Liaison Aircraft.

The Carrier BOIS BELLEAU with the Escort Destroyer TUNISIEN will remain on station.

#### BURMA.

#### Purchase of Spitfires from Israel.

The first three of the 30 Spitfires contracted for set off from Israel early in October. Two of them, however, became unserviceable en route, whilst one crashed at Bahrein.

The Israelis had originally undertaken to bring the Spitfires up to serviceable standards before delivery and they were to replace worn parts with new spares. They used reconditioned parts; the instructional handbooks were in Hebrew, but the Burmese were finally pacified when the Israelis promised that they would supply new parts on a separate payment agreement basis.

The Burmese Air Force Chief of Staff secretly assured his countrymen that he had no intention of paying the bill. Now the Burmese Chief of Staff has announced his intention of flying the aircraft to destruction once they arrive in Burma, since the Burmese have neither the technical backing in spares nor manpower to maintain the aircraft.

#### Order for de Havilland Aircraft.

The Burmese Air Force has placed an order with the de Havilland Aircraft Company for eight Vampire T.II's. It is expected that the first four of these aircraft will arrive in Burma by the end of the year.

#### INDONESIA.

##### Naval Contract with Italy.

The Minister of Finance has signed a contract with the Italian firm of Ansaldo for 200 million rupiahs (Rp 31.4 = £1 i.e. about £26,000,000) for two frigates of 1,100 tons and 2 escort vessels of 800 tons. The French tender was lower but accord-



ing to an unconfirmed report the Ministers of Defence and Finance shared a bribe after a small part of it had been paid to the Communists to keep their support.

### German-built Warships.

Aneta reports that the first two Coastal Patrol vessels built in Germany for the Indonesian Navy have arrived in Indonesian waters.

The vessels, which are of some 130 tons, were shipped from Germany in S.S. "DORTMUND" (Hapag Lloyd Line) and in a ship of the Royal Rotterdam Lloyd.

The Navy Information Department has announced that Lieutenant Suwandi, of the Indonesian Navy, has left Indonesia for Bremen to supervise the final stages of construction of the remaining vessels (number not known).

### Minesweeping.

The Indonesian Naval authorities have announced their intention of sweeping the minefields in Makassar Roads early next year. Although originally swept by the Dutch, the area has never been declared free.

Six Indonesian Naval officers took a mine-sweeping course in the United Kingdom in 1953. Shortage of equipment and trained officers have delayed Indonesian minesweeping.

Army.

Iwa Kusumasumantri (Defence Minister) has raised the status of two of the de-facto military Commanders. Lt.Colonel Sudirman, who has been acting Commander of Territory V (East Java), has been appointed a Colonel and installed as Commander of the Area. Lt.Col.Warouw, who was recognised as Acting Commander of Territory VII (Celebes and Lesser Sunda Islands), by the Wilopo Government, after he had deposed his superior Subroto, in November, 1952, has also been made a Colonel and Commander of his area.

Warouw recently came to Djakarta to explain his role in the smuggling of copra from the Celebes in two Burmese ships "CHIP LAM" and "MAUNG BAMA" which were apprehended by the Indonesian Navy recently. The cargoes were not covered by proper export licences but only had permits signed by Lt.Col.Warouw and Major Worang.

Warouw has admitted his responsibility for the smuggling, but denies that these activities were for his personal gain. He also claims that it was done "for the sake of restoring security in his territory because the money for these operations had not yet been received from the Central Government". He also said that only one vessel, the "MAUNG BAMA", was involved in the affair.

Chief of Staff of Armed Forces.

Under the recently-passed Defence Act, the task of Chief of Staff of Armed Forces will be undertaken in turn by the Chiefs of Staff of the three Services, serving for a year at a time.



S E C T I O N III.EXTERNAL POLITICAL, POLITICO-MILITARY, AND ECONOMIC INTELLIGENCE.JAPAN.Technical Research Institute.

Details of the new Technical Research Institute have now become available. The Institute is under the direct administration of the Ministry of Transportation, with Dr. Teiichi HATTORI as Director.

It has 15 Divisions located at 5 main establishments situated at Mejiro (Tokyo), Tsukishima (Tokyo), Mitaka (Tokyo), Ishikawajima and Tsurumi (near Yokosuka).

The Marine engineering Divisions are sited at Tokyo and the Gas Turbine Divisions are at the Ishikawajima Works and the Shibaura Turbine Co. which is situated at Tsurumi.

Research on gas turbines is well advanced and a gas turbine designed for the Navy is being used for experimental purposes at Ishikawajima, which, although below British standards, is serving its purpose and it is expected that big steps forward will be made in the near future.

An interesting Division is the Welding Division situated at Mitaka near Tokyo. This is claimed to be the best equipped welding research

laboratory in Japan and it receives a more liberal monetary grant than the other Divisions because of the fact that Japan's shipbuilding industry is extensive and welding is now used exclusively throughout new ship construction.

### NATIONALIST CHINA.

#### Politico-Military.

A press report from Taipeh announced that Robertson (a U.S. State Department representative) has -

- (1) Secured a promise from the Nationalists that they would halt raids on the mainland unless provoked by the Communists.
- (2) Calmed Nationalist fears concerning "neutralisation of Formosa".
- (3) Said that the U.S. would re-appraise existing aid programme and speed up shipments to Formosa.
- (4) Said that the U.S. would study the possibility of forming a stronger alliance of Asian Nations including the negotiation of a bilateral U.S.-Formosa Pact.

### INDO-CHINA.

#### United States Aid Programme.

In recent talks between the United States



and France the latter agreed that United States aid could be given direct to the States in Indo-China and not through France. Plans are now being considered for co-ordinating French and United States aid programmes in consultation with the States concerned.

United States aid in Laos will be mainly on relief and re-habilitation programmes; there will be no military aid.

There are no restrictions in principle to U.S. military or economic aid to Cambodia.

Concerning Vietnam, the general idea seems to be to aim at a national army of some 200-250,000 troops. There are at present some 500,000 tons of 'military hardware' to shift from the Haiphong enclave to South Vietnam. It is thought that this material will be adequate to equip the Vietnam Army for the time being.

## PAKISTAN.

### Political Development.

On 24th October the Governor-General of Pakistan, Ghulam Mohammed, declared a state of emergency, dissolved Cabinet and ordered the dissolution of the Constituent Assembly on the grounds that the constitutional machinery had broken down and the Assembly no longer had the confidence of the people.

This development followed a decision by 35 leaders of the Muslim League Party, including 2

central Cabinet members, to challenge the leadership of Mohammed Ali. A plan to replace Mohammed Ali by Faylur Rahman, ex-Minister for Commerce in the Nazimuddin Cabinet, has also been revealed.

The Cabinet formed by Mohammed Ali to carry on administration until an Assembly can be elected will be non-party. The key posts of Defence, Interior and Finance are now held by former public servants and military officers, including the Army Commander-in-Chief. The Muslim League is not represented.

The dissolution of the Constituent Assembly has meant the scrapping of the draft Constitution which proclaimed Pakistan an Islamic Republic. Members of the Muslim League fear that these developments may lead to a break-up of the Party.

## INDONESIA.

### Indonesian-Soviet Relations.

According to Mr. R. Sanusi, Chief of the Industrial Department of Indonesia's Economic Affairs, who has just returned from a tour of the U.S.S.R., the Soviet has offered to open and equip several types of factories in Indonesia, staff them with Soviet experts and train Indonesians in industrial techniques.

Senior officials in Moscow had told him that the Soviet was prepared to extend long-term credit, at 2% interest, to help Indonesia become industrialised.



Relations with Communist China.

The Indonesian Government has accepted the appointment of Huang Chen as Ambassador Extraordinary and Plenipotentiary of the Chinese Peoples Republic to Indonesia. (Huang was recently Ambassador to Hungary).

Domestic Crisis Resolved.

To a delegation from several women's organizations which had been received by the President and Mrs. Fatmawati Sukarno, to protest against his marriage to a second wife, (Mrs. Hartini), the President promised that his first wife, Fatmawati, would continue to be presented to distinguished visitors as the "First Lady of the Republic" and would continue to be Mrs. Sukarno on all official occasions.

Merchant Shipping.

The Minister for Communications recently announced that the National Shipping Companies could not possibly take over the inter-island shipping services from the K.P.M. (Dutch Shipping Line) for some considerable time. Whereas the K.P.M. own about 200 ships of from 500 to 2,000 tons, the largest Indonesian ship-building yard, the "Carya" in Djakarta, is capable of building vessels of only 1,000 tons.

The Government originally intended that inter-island shipping services would eventually be reserved for State-owned ships under Government

control, and the Pelni (National Shipping Company) was set up with this object in view. However, the Pelni, like its predecessor, Pepuska, has been a failure (its losses increasing from 6.5 million rupiahs in 1952 to 15.9 million in 1953, and expected to reach 23 million in 1954), mainly owing to the policy of staffing the Pelni directorate with political appointees, instead of with men who have shipping experience. The Shipping Directorate, inaugurated in July of this year, has the task of distributing the Pelni ships, possibly on charter basis, to private Indonesian companies.

#### Nautical Academy.

It is expected that the Djakarta Nautical Academy (for Merchant Ship training) will be officially opened in about two months' time.

#### Overseas Cruises.

Officers from the PATI UNUS (ex H.M.A.S. TAMWORTH) visiting Singapore report that Indonesia is sending three ships on a good-will mission to India early next year. The ships expected to make the cruise are the destroyer GADJAH MADA, one Corvette, and DEWA RUTJI (a German-built training barque).

#### Military Attache to Australia.

Lieutenant-Colonel Roekmito has been nominated Indonesian Military Attache to Australia. The acceptability of Roekmito has yet to be confirmed by the Commonwealth Government.



Anti-Communist Front.

On the initiative of some Masjumi leaders in West Java an Anti-Communist front has been started in Bandung. It is intended to open branches throughout Indonesia and invitations have been sent to other political parties, organisations and prominent people to join the Anti-Communist Front.

MIDDLE EAST.Anglo-Egyptian Agreement.

The main provisions of the recently-signed Anglo-Egyptian Agreement are as follows :-

(a) The entire British garrison of approximately 80,000 men will be withdrawn from the Suez Canal Base by 18th June, 1956.

(b) From that date Egypt will be responsible for the security of the Base, and, in addition, Egypt will be required to maintain in efficient working order those portions of the Base not being maintained by British civilian contractors.

(c) 1,200 British technicians (civilians) will remain in the Base after the evacuation.

(d) Aircraft under R.A.F. control will have over-flying, landing and servicing rights.

(e) In the event of an attack on Egypt, any other Arab state or Turkey by an outside Power, the United Kingdom will be able immediately to re-

activate the base.

(f) The Agreement will run for seven years (until October 1961), and during 1960-1 the two parties will come to a decision about the future of the Base.

Soviet Legation, Baghdad.

It is believed that the Iraqi Government intend in the very near future to request the U.S.S.R. to close their legation in Baghdad. It seems probable that this is attributable to the Iraqis having detected activity by the Legation in propagating Communism, or promoting disruption in Iraq.



SECTION IV.AUSTRALIA STATION INTELLIGENCE.TRANSFER OF COASTAL RADIO FACILITIES FROM COOKTOWN TO CAIRNS.

Since October, 1949, the Department of Civil Aviation has operated the Cooktown Coastal Radio Service from their Aeradio Station at Cooktown.

As part of a general reorganisation plan, the Department is de-commissioning its Station at Cooktown, but will operate (again as agents for the Overseas Telecommunications Commission (Australia)) a Coastal Radio Service covering the same hours (2000-0900 G.M.T.) from its Cairns Aeradio Station.

The transfer will take place during December.

THE R.A.N. TO THE FORE!

An interesting and amusing incident occurred recently at the port of Geraldton, where the Japanese vessel "YAMAZONO MARU" was taking on a load of wheat. A dispute developed as to the quality of the wheat, the Japanese insisting on grain from the last harvest, while the local bulk handling authorities maintained that the only wheat available for loading was from the harvest before last. An agreement was reached some time on Saturday 11th September and at 1700 hours on that day H.M.A.S. JUNEE and FREMANTLE entered harbour on a normal training cruise.

The coincidence was apparently a little too much for the Japanese, who, according to local report, regarded the arrival of the two warships as a fairly weighty argument in favour of the shore authorities' point of view.

BROKEN HILL PTY.LTD. - PRODUCTION OF COKE AT NEWCASTLE.

On 7th October a new battery of coke ovens came into operation at Broken Hill Proprietary Limited's works at Newcastle.

The building of the sixty-eight ovens was commenced in 1951 and has cost £3,000,000. The output will be 1,200 tons of coke per day, and this will vastly increase the output of steel by B.H.P.Pty.Ltd.

R.D.F. POST AT TROUGHTON ISLAND. (W.A.)

The Commonwealth Government is planning the establishment of a radio direction finding station on Troughton Island, which is a small (1 mile x 260 yds) island situated 12 miles off Cape Bougainville and about 50 miles from Kalumburu Mission. The project has been under consideration since 1951, when the island was surveyed and timber was left there to test for the presence of termites. The outpost will be difficult to supply from the sea, so Department of Civil Aviation Officials recently visited it to ascertain the practicability of building an airstrip. Sea passage to the island was obtained by chartering the Kalumburu Mission's lugger run by Father Basil and an all-black crew. Some of the crew had previously visited the island and were



familiar with water supplies, etc.

Full-size R.D.F. facilities are planned, together with power house, workshop, stores and accommodation. The station when constructed will be administered by the Lighthouse and Navigation Services of the Marine Branch.

BUNBURY (W.A.) - NEW POWER STATION.

A new power station is being erected on a neck of land between Koombana Bay and Leschenault Inlet, at Bunbury. It will have a capacity of 120,000 k.w. The bulk of the station's power will be taken by the Perth metropolitan area but it will also be linked to the rapidly expanding South-West Power Scheme.

At the moment, foundations for generators and boilers are nearly completed and erection of boiler steelwork has commenced.

EXPORT OF WOOL TO U.S.S.R., POLAND AND CZECHOSLOVAKIA.

Since the war, Poland and Czechoslovakia have been not large but consistent buyers of Australian raw wool. The interest of the Soviet in the market has not been consistent, though when interested, activity has been considerable. Buyers for the Soviet seem never to have been checked by strict price limits. One reason for this is understood to be that as shipping facilities to the Black Sea and the Baltic are

not regular, advantage has to be taken of the opportunity when tonnage is offering. During the closing months of the 1952-53 season the Soviet made a strong incursion into the market, but so near the end of the season that there were not great opportunities. Even so, it was not possible to clear all the wool bought during that season. The 16,000 bales shipped to the Soviet during July and August of the present financial year, 1953-54, consisted of wool purchased but no shipped during the last season.

However, from the commencement of the season, which closed on June 30, 1954, buyers for the Soviet were constantly and very actively in the market, and their activity was marked with the dash and insistence to which the auction rooms had become accustomed two and a half years previously when the U.S.S.R. had been very active. Interest mostly centred on good merino and crossbred lines, and when wanted by the Soviet, limits on buyers for other countries fell into the background. The Petrov affair, as is now history, ended Soviet activity for the season early in April, when Vladimir Petrov sought political asylum in Australia. The Commercial Attache to the Soviet Embassy announced that there was no connection between the Petrov affair and the cessation of Soviet buying, as requirements for the season had been filled.

The interest of the Soviet in the Australian wool market, as also in butter and meat, was due to the calamitous decline in Russian pastoral and agricultural production over the past few years.



For this, anyhow to some extent, serious drought conditions were to blame. It is to be noted that during the year the Soviet placed considerable orders in Britain and European countries for textile machinery of the latest types, and substantial orders were placed, for example, with Italy, for apparel fabric. The cessation of buying in April, 1954, does not preclude renewed activity in the 1954-55 season. The Soviet needs wool, as is indicated by constant activity in the London "spot" market. The substantial increase in Russian sheep flocks which followed the war was halted during the past two years, due to climatic conditions. Considerable interest is now being shown in improving the husbandry of flocks with a view to producing better wool breeds.

The following table shows the wool shipments from Australia to Eastern European countries for the two seasons :-

<u>U.S.S.R.</u>	<u>1952/53</u>	<u>1953/54</u>
Bales	11,172	198,384
Value	£A.1,631,000	£A.25,797,000
 <u>POLAND.</u>		
Bales	29,165	60,503
Value	£A.3,618,000	£A.7,390,000
 <u>CZECHOSLOVAKIA.</u>		
Bales	19,359	27,417
Value	£A.2,693,000	£A.3,662,000

NORTHERN TERRITORY.Boom Jetty, Darwin.

It is reported that the fender piles are positioned but the rubber filling pieces have not yet been received. Guniting is proceeding very well, the head of the pier being finished. It is not now anticipated that the dolphin will be completed until the New Year.

Japanese Pearling Fleet.

After winning a complete quota of 950 tons of shell valued at approximately £500,000 by 9th October, the Japanese Pearling Fleet, comprising one Mother Ship, one Fishery Inspection Vessel and 25 luggers, sailed for Japan on 12th October.

For most of the season the Boucaut Bay beds were worked as the shell in this area was reported to be more prolific.

Export of Cattle to the Philippines.

L.S.T. "HAN KUO", operated by Henderson Trippe and Co. recently visited Darwin to load 600 head of cattle for the Philippines. The cattle were driven overland from various stations in the Roper River area, but to avoid this, a project is now in hand for LST's to be taken up the Roper, Daly and Victoria Rivers to undertake direct shipment of cattle. According to latest survey figures available, however, a shifting sand-bar three miles upstream from the mouth of the Roper River has only 4 feet of water at low tide and



10 feet at high tide, against the 12'6" needed for an L.S.T.

#### Air Service with Perth.

There are now three weekly air services between Darwin and Perth. The additional service has been introduced because the existing flights could not cope with passenger and air freight traffic. Schedules for the Kimberley services have also been augmented. A Dakota aircraft will be used as traffic is too heavy for the Anson.

Aircraft now depart from Perth at 10.45 p.m. Wednesday, Thursday and Saturday, arriving in Darwin at 3.20 p.m. on the following days. On the return flights planes leave Darwin on Monday, Friday and Saturday at 5.45 a.m. reaching Perth on Monday and Saturday at 7.5 p.m. and on Friday at 6.45 p.m.

#### Population of Northern Territory.

The figures of the Commonwealth census held on 30th June, 1954, reveal that the population of the Northern Territory comprises 10,305 males and 6,184 females, a total of 16,489. Half the population live in the Darwin area. It is of interest to note that outside the area covered by Darwin and Alice Springs, only 5,651 people live in the other half million square miles - or 88 square miles to each person.

The total figure discloses an increase of 50% in the population since the 1947 census, when it was 10,868.

NAURU.

During the financial year 1952-53 exports of phosphates from Nauru totalled 1,227,103 tons, valued at £1,994,045. This constituted a record.

It is estimated, however, that the phosphate deposits in Nauru will have become exhausted in about 65 years time. This will mean that the Nauruans will have to be re-settled elsewhere, as they have lost their aptitude for agriculture and fishing. The problem of the Nauruans' future has been considered on more than one occasion by the Trusteeship Council of the United Nations. It is possible that they will later migrate to New Guinea.

The native population of Nauru is about 2,200.

DUTCH NEW GUINEA.Indonesian Landing at Etna Bay.

The Netherlands High Commissioner in Indonesia has reasons for believing that the Indonesian landing on October 12th at Etna Bay was premeditated and organised. This was deduced from maps that were captured, and from the way the Indonesian party penetrated inland.

It has been claimed that the party wore Indonesian Army uniforms, and that a number were killed and others captured by Dutch Marines and a police detachment in early November. Some are still at large.



The Dutch added that their police officer, whom the Indonesians had captured, had been left behind sick from a patrol, and they claim they had no idea what had happened to him until the publication of the report that he was in Ambon. They have asked for his release.

The Netherlands High Commissioner says that he is at a loss to explain why the landing was made and that he doubts whether the Central Government had anything to do with it. He is inclined to place the responsibility on Sukowati, the local Military Commander in Ambon.

#### PORTUGUESE TIMOR.

##### Army Garrison Strength.

Although the authorized peace-time strength (as laid down in Lisbon) for the Army Garrison in Portuguese Timor is 1,400 men (one Infantry Battalion, one Artillery Battalion, one Cavalry Squadron) the actual present strength is 728 troops (four Infantry Companies and one Cavalry Company).

One Company of Infantry and the Cavalry Company are stationed at strategic approaches to the Indonesian Timor border at Malim, Tatulelic and Bobanara. Two of the companies are stationed in the vicinity of Dili, and the other company is at Maubisse in the central part of Portuguese Timor.

The companies are formed from Timorese and Angolese troops, the former carrying rifles only,

and the latter grenades as well as rifles. The heaviest guns in use are Vickers Heavy Machine Guns, each Company being allocated four M.G's. Six 3-inch mortars are also issued to each Company.

### SHIPPING INFORMATION.

#### New Fremantle-Far East-U.S.A. Service.

A Norwegian Shipping Company (Knutsen Line) has begun a new service from Fremantle to Singapore, Hong Kong, Japan and U.S.A. with the arrival at Fremantle of the "ANNA BAKKE". The company's ships at present trade across the Pacific to Singapore and Fremantle will be added to their schedule. Other ships in the line are the "OGEKA BAKKE", "GJERTRUD BAKKE" and "ELISABETH BAKKE".

#### German Vessels.

The "HEIDELBERG", first German trader to arrive at Fremantle since the war, berthed on 25th September. The vessel's Master (Captain Valentin Wenk) described himself as a professional prisoner-of-war, having spent a total of 12 years as an interned prisoner in Allied hands. During World War I, he was interned for 5 years at Berrima, N.S.W. and in World War II he was interned for 7 years in Indonesia, India and Canada. On arrival he was greeted by a large number of Australian friends.

The "HEIDELBERG" was followed some days later by two more German ships - "WERRASTEIN" and "BRAUNSCHWEIG".



SPECIAL ARTICLES.

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

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THE SITUATION IN SIAM.

The following are some extracts from an article in a recent issue of the "Contemporary Review" by a former British Army Officer who has some knowledge of Siam :-

"The recent advance of the Viet Minh forces in Indo-China to the eastern borders of Siam has caused no little apprehension to the Siamese Government who regard it as a direct threat against their own country. In Paris the opinion has been openly expressed that this movement by the Viet Minh pre-sages an attack on Siam. Active steps have already been taken by the Government to protect their eastern frontier, strong reinforcements have been drafted to threatened areas, and a state of emergency has been declared in at least twelve provinces. It is well known that there are several Communist communities grouped on the eastern frontier who for some time past have given material aid to the Viet Minh in Indo-China with money and medical supplies. They are under the orders of ex-Premier Pridi, who was forced to leave the country on being implicated in the murder of the King in 1947.

There are numerous Siamese communities in Yunnan as well as in Tongking which of late have been

subjected to heavy Communist pressure to act in conformity with Communist doctrines in connection with the subversive elements among the Chinese population in Siam itself. Finally, there are at least three million Chinese inhabitants of Siam whose loyalty is ever towards their own country. They regard the advent to power of Mao Tse Tung with feelings of sympathy and would, in time of emergency, form the nucleus of a formidable fifth column movement aimed at the overthrow of the existing regime and would give valuable assistance to the establishment of a Communist State under the aegis of China. The Siamese Government are fully aware of these dangers which threaten the State and have outlawed Communism.

The Soviet maintains a large Legation at Bangkok to which all requests for funds for carrying on propaganda in the Pacific by Communist agents are (reputedly) addressed. Here they are scrutinised before being submitted to Peking for final approval. This Legation puts out a stream of Communist propaganda which finds a ready welcome among the people, especially the Chinese, whose press is almost entirely Communistic. The Siamese people, generally speaking, are averse to Communism. They are devout Buddhists and have no use for Communist doctrines, but it is unlikely that they would offer any effective resistance to an attack on their country.

Numerous Communist plots against the Government have been unearthed by the Secret Police from time to time. One of the most serious of these



plots was only recently discovered in which, under the protection of the Soviet Legation, Communist agents were to infiltrate into key positions in the State, the army, police and navy. Communist risings have occurred from time to time aimed at the overthrow of the Government through the so-called "Liberation Movement" which concentrated on the armed forces, the Military Academy, the Ministry of Defence, the Navy and the C.I.D. The 'Peace Council of Siam' is a wholly subversive organisation, and also the Communist Central Labour Union which indoctrinated sabotage in works of national importance, and engineered disruption of docks, railways and strikes in industries. Many of the Chinese have been trained in fifth column work, sabotage, and other activities with the object of assisting in the "softening up" process of Siamese resistance and to prepare the way for a Communist coup.

When considering the situation of Siam one must perforce pay due regard to her neighbours on her eastern and western borders. Judging from the events of the past two years, it seems probable that the Chinese, in collaboration with the Viet Minh in Indo-China, contemplate a two-fold policy, viz:- (a) A "short term policy" of driving the French out of what is left of Viet Nam and thus preparing the way for (b) "Long-term policy" of an all-out attack on Siam.

Several organisations have recently been set up by the Chinese which threaten directly Siam and the whole of the south-eastern bastion of Asia. These are: (a) The Free Thai (Siamese) Government in Yunnan, (b) The Free Cambodia Government, and

(c) The Free Laos Government.

A new Communist State has been established in the Burmese province of Kengtung. Another autonomous State has also been established in Yunnan close to the Burmese frontier. These new States control a well-organised force of guerillas which would be of great service to the Communists in a combined attack on Burma. The Burmese Army, without outside assistance could not hope to effect any important resistance to Communist troops should the invasion of Burma be realised. Siam would thus have a Communist State firmly established on her western borders.

The recent decision at Geneva to divide Indo-China into two portions affects Siam to a serious extent. The dividing line follows the 17th Parallel from Quangtri on the East coast to Savannakhet close to the Siamese frontier and follows the motor road connecting these two places. The northern area which falls to the Viet Minh, includes the frontier town of Thakhet, whence a motor road runs westwards into Siam and joins the road and railway running south from Vien Tiane to Bangkok, the Capital. The French are to evacuate the northern portion of Indo-China within 10 months. Luang Prabang, the Royal Capital of Laos, also falls within the Viet Minh area and here it is that ex-Premier Pridi intends to establish his headquarters. Should Communist "long term policy" decide on the invasion of Siam, the way will now be open from east and north. Her plight will be hazardous indeed, threatened as she will be from



both east and west by powerful Communist forces. Without assistance from outside sources Siam could not hope to stave off such incursion. Her army of some five thousand men, armed and trained by America, could at the most deal with subversive elements in Siam itself but could not offer any effective resistance to the overwhelming forces which the Viet Minh could bring to bear against them from Indo-China.

The occupation of Siam by the Communists would present the Western Powers with a situation of serious import. Such occupation would gravely threaten Malaya and would support an attack on Burma."

#### THE PAKISTAN MUSLIM LEAGUE.

The Muslim League was established in 1906 with the expressed intention of arousing political consciousness among the Muslim population in India. It was not until Mohammed Ali Jinnah was elected President in 1926 that the League developed into a political power and represented the Muslim element in the pre-partition negotiations with the United Kingdom and the Indian Congress Party.

Referring to the role of the Muslim League in Pakistan at a general meeting of the League in Dacca in October, 1952, the then Prime Minister of Pakistan, Khwaji Nazimuddin, who was also President of the Muslim League, emphasised that while on the one hand Pakistan as a democratic country needed to develop political parties, on the other hand, "those who seek under various labels to divide the Muslims must be regarded as disrupters of the nation." The

Muslim League would, he said, have a dual role to perform. First, it would have to function as a national organisation of the Muslims. In that role it was no less than "the embodiment of the national spirit and national idealism". Secondly, the League had to perform the role of "the only representative political party of the Muslims whose representatives are today governing Pakistan in the centre and in the provinces."

Although in theory the Muslim League, as the most powerful party in the Constituent Assembly and the Provincial Assemblies, was the most powerful political element in Pakistan, there has actually always been a very loose connection between the League and the Government. In the Central Government the relation between the Cabinet and the Muslim League differed in many vital respects from the relationship between the Cabinet in Australia and the political party which it represents. Pakistan, from its inception, has been actually governed by a junta which is only loosely related to the principal party - the Muslim League. Real political power has rested in the Governor-General, Cabinet and a few influential advisers. In practice it has been the role of the Muslim League to justify the acts and omissions of the Cabinet rather than lay down the broad lines of policy. The body which possibly had the greatest influence upon the policy of the government was the Muslim League Assembly Party which consisted of members of the League elected to the Constituent Assembly, as it was necessary for Cabinet to obtain their approval of projected legislation in order to ensure that



it was guided safely through the Constituent Assembly.

The Muslim League was formed mainly with the object of protecting the rights of the Muslim element in India against the Hindus, and subsequently became a separatist party. Its basic drive was towards the establishment of Pakistan. With the realisation of this aim and the death of Jinnah the party suffered a set-back from which it has never recovered.

So long as no national and few provincial elections were held, and whilst opposition parties remained undeveloped, the League was able to retain the great prestige gained in the struggle for self-rule and the establishment of Pakistan. However, recent developments have shown that the strength of the League's claim to represent the people, and its prestige, have deteriorated considerably. In March, 1954, a United Front of opposition parties overwhelmingly defeated the Muslim League in the East Bengal elections. The United Front gained their victory by exploiting the general unrest and dissatisfaction arising from the Muslim League's failure to improve social and economic conditions in Bengal, and the hostility caused by the East Bengal Muslim League representatives in the Constituent Assembly who sided with the Central Government on issues concerning East Bengal.

The second major defeat of the Muslim League occurred in October when the Governor-General

dissolved the Constituent Assembly on the grounds that it no longer represented the people. This means that the main instrument of the Muslim League is denied to it. Government is to be carried on by a Cabinet and the Governor-General until elections for another Constituent Assembly can be held. It is significant that this Cabinet, which represents all political groups in Pakistan, contains no important Muslim League leaders.



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