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Australia Station Intelligence Summary



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*Naval Intelligence Division
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S E C T I O N N I.

R.A.N. AND OTHER COMWEALTH NAVIES.

((a)) Principal Naval Activities.

H.M.A.S. VENGEANCE.

During February VENGEANCE carried out two cruises between Sydney and Tasmania. On the first occasion she visited Hobart between 4th and 12th February, and was present at the annual Hobart Regatta. On 16th February she again sailed from Sydney for Hobart, calling at Westernport and Eastern Tasmanian anchorages en route. After a four-day stay in Hobart ((4th-8th March)) VENGEANCE is due to return to Sydney on 12th March.

VENGEANCE will be relieved as training ship by H.M.A.S. SYDNEY in early May and will be immediately taken in hand for preparations for her passage to the United Kingdom.

She will sail from Sydney on 16th June for Devonport, England, and will call at Melbourne, Fremantle, Singapore, Aden, and Suez en route. She will arrive in the United Kingdom on 5th August.

Preparations for her transfer to Reserve will be progressed during the passage, and a further 14 weeks will be allowed in Devonport for placing her in Reserve.

VENGEANCE'S Ship's Company will leave Devonport at the end of November to join MELBOURNE for commissioning at Barrow-in-Furness.

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H./E.A.S. HOBART.

It has been approved in principle that HOBART be fitted for service as a C.O.R.S. Headquarters Ship and Engineering Training Ship. She will be retained at 18 months availability for operational service.

H. A.S. QUEENBOROUGH.

QUEENBOROUGH sailed from Sydney on 24th February for the United Kingdom to gain experience in the latest methods of anti-submarine warfare and to evaluate the capabilities of her weapons and detection equipment.

Shortly after she arrives in the United Kingdom QUEENBOROUGH will be attached to the Royal Navy Training Squadron at the Joint Anti-Submarine School at Londonderry (Northern Ireland), and will participate in exercises against all types of submarines.

During her passage to Portsmouth she will call at Singapore (11th-14th March), Colombo (19th-22nd March), Aden (28th March), Suez (1st April) and Gibraltar (8th April). She will arrive at Portsmouth on 12th April, and will be away from Australia until the end of December.

H.M.A. Ships MURCHISON, CONDAMINE and SHOALHAVEN.

MURCHISON and CONDAMINE sailed from Sydney in company on 15th February, bound for northern waters. CONDAMINE is proceeding to Japan to relieve SHOALHAVEN, who has been in Korean waters since July, 1954, and MURCHISON is to do a tour of duty in Northern Australian waters.

At Cairns on 20th February MURCHISON took over the patrol duties from WAGGA, who was returning to Sydney from Manus, and proceeded with CONDA LINE for Dnrwin, arriving on 25th February.

SHOALHAVEN sailed from Kure on 27th February for Hong Kong, where she will hand over her duties to CONDA LINE, and is due at Sydney on 26th March.

H.M.A.S. WARREGO.

After completing her survey duties off Cape Otway on 9th February, WARREGO transferred operations to the Portland area on 1st March. She will be employed there until 17th March, when she will sail for Sydney.

R.A.N.A.S. Schofields.

R.A.N.A.S. Schofields began reducing to the status of an Air Section on 14th February, when the School of Aircraft Maintenance ((Engineering)) commenced transferring to Nowra. Schofield's future task will be the maintenance of aircraft in store.

Helicopter Reconnaissance in Tasmania.

Between 4th and 12th February two R.A.N. helicopters, as well as flying and ground crew, were lent to the Hydro Electric Commission of Tasmania for a reconnaissance of large areas of rugged mountain country in the King and Franklin Rivers region of Western Tasmania to investigate hydro-electric power resources.

The helicopters were embarked in VENGEANCE

at Jervis Bay, on 2nd February and flew off when VENGEANCE arrived at Hobart.

Only one of the helicopters was used at a time in the reconnaissance, the other being kept in reserve for use in the event of need. During the short period of the survey, engineers of the Commission were able to inspect dam sites and key points which could otherwise be visited only after several months of strenuous walking over difficult country.

The helicopters were based on the construction village at Butler's Gorge, about 40 miles east of Queenstown, and the one in service returned to its base each night. A recreation oval at Butler's Gorge served as a landing ground, and the Hydro Electric Commission provided the facilities for refuelling and servicing.

New Zealand Ships.

H.M.N.Z. Ships BLACK PRINCE and HAWEA visited Australia in February to take part in exercises with R.A.N. ships in the Jervis Bay and Sydney areas.

Both ships visited Hobart early in the month before proceeding to Jervis Bay, HAWEA sailing in company with VENGEANCE, and BLACK PRINCE with ARUNTA on 12th and 14th February respectively.

HAWEA sailed from Sydney for New Zealand on 28th February; BLACK PRINCE will visit Melbourne between 10th and 16th March before returning to Wellington.

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(b) EXTRACT" FROM REPORTS OF PROCEEDINGS.

H.M.S. ALERT - Visit to Dili.

After visiting Darwin from 20th to 21st November, 1954, H.M.S. ALERT called at Dili, Portuguese Timor, during her return passage to Singapore.

A letter had been sent to the Australian Consul at Dili, informing him of the ship's E.T.A. ((23rd November)), provisional arrangements, and that a national salute would be fired on arrival, if this could be returned.

ALERT was met close off the harbour by a small tug from which a Portuguese Naval Engineer Lieutenant emerged, armed with a large-scale chart of the Harbour. This officer could speak no English or French, but indicated that, although he was not really a qualified pilot, he was actually just as good a pilot as an engineer. It was clear that ALERT'S letter to the Consul had not yet reached Dili, so the Engineering Pilot was asked by means of much gesticulation whether there was a saluting battery ashore ready to return ALERT'S salute if one was fired. On receipt of the answer "yes" a national salute of 21 guns was fired as the ship went ahead to enter harbour. There was no reply from shore and it was clear that the sign language had been insufficiently expressive. However apologies were later offered all round and no feelings were hurt.

The reef was clearly visible and well buoyed and there was no difficulty in mooring inside the harbour. When moored, the ship was approximately 120 yards clear of reefs in three different directions.

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Calls were exchanged on the forenoon of arrival with the Governor ((Cesar Maria de Serpa Rosa)), the Australian Consul ((Mr. E.J.A. Whittaker - a Lieut.Commander ((Sp.) R.A.N.V.R.)), the Administrator of Dili ((Manuel Dias Pea)) and the Military Commander ((Major Jose Maria Calvao de Mol)). A seventeen-gun and a seven-gun salute were fired to the Governor and the Australian Consul respectively when each left the ship.

It was clear that the Governor and the people of Dili were very pleased to have a visit from an H.M. Ship. It had been two years since H.M.A.S. RESERVE visited Dili, and there is no record of a ship from the Far East Station having been there since the end of the war. Visits by Portuguese naval vessels are also most infrequent.

The Governor gave a large dinner for the officers on the first evening, and arranged for a party of four officers and 35 ratings to visit Maubisse, some 30 miles inland in the mountains on the following day. This party was entertained to lunch at Maubisse. It was most noticeable that the natives invariably stood up and saluted any white person who passed on foot or in a car.

Dili was very badly damaged during the war by Australian bombing and by the Jnoanese before their departure. A major rebuilding plan of imposing proportions has been prepared and work has commenced. The Commanding Officer was shown the plans and the building sites in the town by the Governor, who is very rightly proud of the scope of the plan. It is clear that he himself has been the moving spirit, and it is understood that

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much of the money is coming from Portugal.. It was stated by the Australian Consul that Portuguese Timor has never been self-supporting financially, and has always received considerable assistance from Portugal.

The Australian Consul contributed much to the success of the visit, and gave a cocktail party at the Consulate ((n series of prefabricated huts)) for all officers and about 50 guests from Dili. A dinner party for the Governor, the senior officials and their wives was given on board ALERT, on which occasion the ship was floodlit - the first time this had been tried since the ship's recommissioning. The effect was most impressive from the shore, but on board, unfortunately, the entire insect life of Dili was attracted by the bright lights.

After an enjoyable two-days^T stay, ALERT sailed on 25th November, to the cheers of the populace, bound for Sandakan, Hong Kong and Singapore.

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SECTION II.

NAVAL ((AND OTHER ARMED FORCES)) INTELLIGENCE, INCLUDING
TECHNICAL INTELLIGENCE. "

JAPAN.

Additional U.S. Ships for the Navy.

In addition to the 1700-ton submarine to be handed over by the U.F. to Japan for training purposes in October 1955, the Japanese will also take delivery of seven 300-ton minesweepers from the U.S. in March.

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ASSAULT ON I CHIANG SHAN.

The Communist assault on I Chiang Shan on 18th January was well mounted. About 5,000 troops were employed in landing in two waves from four L.S.M's eight L.C.I's and 50 junks, covered by one destroyer, one destroyer escort, four fast supply ships, two gunboats, five motor gunboats and 13 patrol craft.

Effective air cover was provided by 80 TU2's ((piston-engined light bombers)) at low level, with M.I.G.15's on top and LA 111's ((piston-engined fighters)) and IL 10's ((piston-engined ground attack aircraft)) in support.

The destroyer which participated in the assault was one of the two Gordy Class destroyers recently transferred to the C.C.N. The use of a destroyer in this offensive indicates an unexpectedly high level

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of efficiency in the C.C.N., unless a large percentage of the crew is still Soviet personnel, since the destroyers have not been observed to put to sea since their arrival in Tsingtao on 12th October last year.

COMMUNIST CHINA.

Submarines at Tsingtao.

Sightings of submarines at Tsingtao during January suggest that there may be three "S" class submarines in that port.

Although not more than two submarines have been sighted together, pennant numbers suggest the presence of three boats.

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NATIONALIST CHINA.

Nationalist Navy Casualties.

The following casualties were sustained by the Nationalist Navy during recent operations off the Tachen Islands :-

TAIPING ((D.E.) ((ex USS DECKER))	14.11.54 Sunk, probably by MTB's off the Tachens.
TAIHO ((D.E.) ((ex USS THOMAS))	10. 1.55 Near-miss starboard side of bridge by fragmentation bomb,, estimated 500 holes in ship's side and superstructure.

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CHUNGHAI 10.1.55 Superficial damage by 3
(L.S.T.) rocket hits in superstructure..

CHUNG CHUM 10.1.55 Cargo of coal and stores set
(L.S.T.) on fire. Ship burned out and
sank near the landing beach at
Tachem..

LING CHIANG Stern blown off by torpedo,
(Gunboat) floated 5 hours before
(ex USS P.G.M. sinking.
13). 10.1.55

HENG SHAN 3 hits by estimated 250 lb.
(Repair ship) 10.1.55 bombs. Extensive damage to
superstructure and living
spaces, machinery undamaged.
(Estimated time for repairs
2 months).

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THAILAND.

Naval Cruise.

Proposals have been made for a training cruise by the R.T.N. frigates TACHIN, PRASAE and MAEKLONG with 200 cadets in April, 1955.

The proposed itinerary is Singapore, Penang, Colombo, Bombay and Karachi, returning via Calcutta, Madras, Trincomalee and Rangoon.

This cruise is intended to be in return for a courtesy visit by four Indian frigates last year when a very favourable impression was created.

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PHILIPPINES.Philippines Army.

During Admiral Radford's visit to Manila at the end of December the creation of a new Philippines army division as the Philippines contribution to the defence pattern for South East Asia was discussed.

The U.S., it is reported, are prepared to arm and equip the proposed division at a cost of \$775 million, while the Philippines would maintain the division at a cost of 10 million pesos a year.

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ITALY.Light Cruiser "SAN GIORGIO".

The Italian Light Cruiser "SAN GIORGIO" will shortly be commissioned.

She was originally completed in 1943 as the POMPEO MAGNO, taken to Malta at the time of the Italian surrender, and allocated to France by the Tripartite Naval Commission, but later relinquished. She was then taken in hand at Genoa for re-building and re-fitting. Her particulars now are :

Standard Displacement	..	4,000 tons.
Length	..	455 ft.
Beam	..	47 ft.
Draught	..	17 ft.
Designed Speed	..	38 knots.

Armament 3 twin 5 twin 4 quadruple quadruple
40 mm. 2 twin 40 mm. Depth Charges.
Ahead-throwing weapons of possible
Italian type. Gunnery control
system of U.S. manufacture.

Radar F.C.1, Mk.12/22 Mk.34 Air
Warning AW/SPS 6 surface
warning SG6b Fighter Direction
SP.

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U.S.A.

U.S.S. FORRESTAL.

The following details of the new United States aircraft-carrier U.S.S. FORRESTAL have been released since she was launched in December, 1954 :-

Standard Displacement: 59,650 tons
 Speed: Over 30 knots
 Length: Overall 1,036 ft; between
 p.p's 990 feet.
 Beam: At main deck 129 ft. 4 ins.
 Extreme breadth at
 flight deck: 252 feet
 Angle of Canted deck: 10.5 degrees
 Elevators: 4 (all deck edge-62ft.x 52 ft)
 Catapults: 4, steam
 Complement: 466 Officers; 3,360 ratings.
 Plane Complement: Over 100 planes consisting of:-
 A3D ((Skywarrior))-twin-jet
 A-bomber.
 F4D ((Skyray)) - jet fighter
 FJ3 ((Fury)) - jet fighter

Plane Complement : AD ((Skyraider)) - attack
 ((Continued)) or long range bomber,
 A/S attack etc., single-
 engine propeller-driven.
 Main gun armament: 8 rapid fire 5" mounts.

Since the launching it has been disclosed that the island superstructure will be moved 22 ft. to starboard ((outboard)). The reason given for the alteration is that the additional athwartship space thereby provided on the flight deck will enable the ship to handle any jet aircraft now on the drawing board or likely to be developed during her lifetime. The work will not delay the completion of the ship. The island superstructures of the other three FORRESTAL type carriers already authorized will be similarly re-located.

Guided Missile Cruisers.

The heavy cruisers U.S.S. BOSTON and CANBERRA are undergoing overhaul and alterations which will make them the first guided missile cruizers to be added to the United States Fleet. These two ships are expected to be ready for duty some time during the latter part of 1955.

Destroyer Type Ships in the U.S. Fleet.

The Ship Characteristic Board of the U.S. Department of Navy has recommended recently the gradual elimination from the U.S. Fleet of about six destroyer and associated types of ships. The recommended purpose is to have four basic destroyer types capable of performing all the missions now assigned to more than ten types. The four basic types would be :

Large destroyer	-	Type symbol DD
Frigate	-	Type symbol DL
Corvette	-	Type symbol DDC
Patrol escort	-	Type symbol PF

The new concept would be achieved by a combination of conversion and new construction. It has been estimated that the cost of new construction ships will range from \$10 million to \$40 million according to type.

Guided missile destroyers ((DDG)) are in the planning stage and will be introduced into the U.S. Fleet. They will not conflict with the four-type concept since DDG will be merely the classification given to any ship of the four types after missile launchers have been added to her.

Helicopter Transport.

In April 1955 the U.S. Naval Shipyard at San Francisco will start work on U.S.S. THETIS BAY ((CVE)) to convert the ship into a helicopter transport designed for use by the U.S. Marine Corps in amphibious landing operations. When the conversion is completed, THETIS BAY will be the first helicopter transport. The work will include removal of top-side arrangements for operating conventional aircraft, replacement of two small elevators by one large elevator capable of handling heavy loads, and provision of additional living quarters and facilities to allow for troop accommodation. THETIS BAY is of CASABLANCA class - 10,000 tons, 512 feet long, speed 20 knots.

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SECTION III.EXTERNAL POLITICAL, POLITICO-MILITARY AND ECONOMIC INTELLIGENCE.U.S.S.R.New Soviet Premier.

While it has been represented in press reports that Marshal Bulganin, the new Soviet Premier, may be only a figure-head, with Khrushchev "the power behind the throne", an alternative possibility may be that the military clique in the U.S.S.R. has, with Khrushchev's support, reasserted itself.

The Soviet Service leaders must have been extremely disappointed with Malenkov's failure to prevent West German rearmament.

Marshal Bulganin is reported to have promised to aid Communist China whenever necessary. This pledge was made at a reception in Moscow, to mark the fifth anniversary of the Sino-Soviet Treaty of Friendship, Alliance and Mutual Assistance, concluded on 14th February, 1950.

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JAPAN.Maritime Safety Force ((Coastguard)).

Personnel strength of the M.S.F. as at December, 1954 was :-

7,864 Officers and 2,541 Men
((including shore base & personnel)).

There are 101 seagoing vessels and 208 harbour craft under the control of the Maritime Safety Board. Of the seagoing vessels, 9 are Patrol Vessels (5 of which are 1,000-ton ex-Japanese Imperial Navy Frigates of the UKURA Class now armed with 3" guns loaned by the U.S.), 22 are vessels of between 450 and 700 tons, (6 of which are armed with 3" guns) and 20 are 100 to 350-tonners (13 of which have 40 m.m. armament).

There are also 29 unarmed Submarine Chasers and 68 large Harbour Craft which presumably could be fairly quickly converted to patrol craft.

There is a sprinkling of ex-Imperial Naval Officers throughout the organisation and training of personnel is on naval lines. The predominance of officers in the Maritime Safety Force would seem to indicate that this organisation would have little difficulty in providing a number of highly-trained personnel for duty in the Naval Forces should the need arise.

Merchant Fleet.

The change of Government in Japan last December has led to new discussions on shipping policy. The Japanese Shipowners' Association has given the Hatoyama Government a memorandum stressing the need for a merchant fleet of 4½ million tons and Government assistance in attaining this objective.

The new Minister of Transport, Mr. Takeo Miki, has assured the Shipowners that the Government will make adequate funds available for the expansion of the Merchant Fleet.

This target should be carried into effect if the Hatoyama Government is returned at the elections and the Japanese shipbuilding industry could then look forward to a return to full employment.

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COMMUNIST CHINA.

Iron and Steel Development.

Steel experts in Hong Kong have estimated that Communist China's iron and steel plants, restored and expanded by Russian technicians, are now capable of producing 3,000,000 tons of steel and 2,500,000 tons of pig-iron a year. Japanese who recently visited Manchuria say that China's output of steel in Manchuria now equals Japan's wartime production there.

In 1953 three new mills were opened. The new Anshan Heavy Rolling and Tube Mills are believed to have produced 1.35 million tons of rolled steel in 1954 and officials claim that the 1955 output will show a 60% increase on this. At Tayeh, in Hupeh Province, there is a complex-producing centre under construction. This is expected to be producing within two years. Another steel centre is being developed at Chungking in Szechuan Province, where the Fouling iron mines were re-opened last year after being inoperative for three years. Housing projects to accommodate thousands of workers are reported to be under construction at these three centres.

Soviet Broad Gauge Line from Trans-Siberian Railway to Chining.

Peking Radio announced on 15th January that the Chi-ning-Erhljen railway line, which was completed as recently as December, 1953, will be reconstructed during 1955, on the Soviet broad gauge. This section is part of the railway now under construction, and due to be completed this year, between Peking and the Trans-Siberian railway at Ulan-Ude, through Outer Mongolia. The proposed change will bring the Soviet gauge for the first time to within 300 miles of the Yellow Sea.

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INDO-CHINA.Chinese/Vietminh Aid Agreements.

It is not yet possible to assess the present or future extent of Chinese economic aid to the Vietminh and little evidence is available regarding the terms on which it is being provided. Much of the equipment and other materials promised under the present agreements (e.g. road-building machines, locomotives, petrol, oil and lubricants) is in short supply in China, which also suffers from a serious deficiency of technicians and skilled workmen.

However, the Chinese have strong political and strategic motives for devoting all the resources which can be spared for the development of North Vietnam and the Vietminh regime will undoubtedly be expected to acknowledge Chinese influence and leadership in return. It can be expected that the Vietminh economy will develop with Chinese requirements, possibly to the extent of a partial integrat-

ion with that of China as a result.

International Control Commission.

The International Control Commission is having difficulty in determining the amount of deliveries of war materials into Indo-China from China. It is reported that artillery equipment is of U.S. origin and no attempt has been made to standardise on Russian calibres.

This equipment could have been captured in Korea and there is also the possibility that the Russians do not want to be identified as the supplier of equipment to the Vietminh. By pushing captured U.S. equipment into North Vietnam they can disclaim that they are supplying the Vietminh.

INDONESIA.

Ships Under Construction.

Indonesia has under construction in Netherlands shipyards the following vessels :-

- 11 Patrol Vessels
- 6 Pilot Boats
- 8 Freighters ((from 1,800-tons to 4,200-tons,
5 with limited passenger accommodation)).
- 2 Tugs ((500 H.P.))
- 3 Ferries
- 3 Loading Barges.

There are also twelve 127-ton Minesweepers on order from Germany, three of which have already arrived at Sourabaya.

The State Copra Foundation has signed a contract for five coastal vessels, each of 600 tons deadweight, from the Verenigde Prauwen Veren, a ship-building firm with shipyards at Pasar Ikan, in the old part of Djakarta. These will be the largest vessels ever constructed in Indonesia.

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BURMA.

Possible Buddhist Bloc.

News comes from Rangoon that since the recent visit of King Norodom Sihanouk of Cambodia there is a possibility that a Buddhist bloc may be formed to create a "middle force". This would be composed of Burma, Siam, Cambodia and possibly Laos.

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PAKISTAN.

Unification of West Pakistan.

Following a Conference of Provincial Governors, Chief Ministers and Rulers of the principal States on 17th December, it was recommended that West Pakistan should have a single Governor, Cabinet, Legislature and Secretariat. Under this central administration there would be fifty districts, grouped into 10 divisions.

On the same day the Governor-General established a Council for the administration of West Pakistan. Its functions are to examine and make recommendations on matters relating to the Constitution of West Pakistan.

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tan as a single administrative unit. The Council has as its chairman Mr. Gurmani, Governor of the Punjab, and is made up of Governors and Chief Ministers of the North West Frontier province and the Punjab, Chief Ministers of Kalat, Bahawalpur and Khairpur States.

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S E C T I O N N IV.AUSTRALIA STATION INTELLIGENCE.NEW SOUTH WALES COAL PRODUCTION - 1954.

Coal production in New South Wales during 1954 reached the record level of 15,094,000 tons - 920,000 tons more than 1953.

Other facts and figures available are :

Sale of coal to other States fell by 66,000 tons but New South Wales consumption rose by 587,000 tons.

New South Wales used 12,074,000 tons, other States 2,373,000 tons, leaving a carry-over of 647,000 tons for the year.

Underground mine production was 13,715,000 tons, an increase of 1,263,000 tons on last year.

Open-cut production was 1,379,000 tons, a decrease of 343,000 tons on last year.

The total rise in production was due mainly to increased output per manshift and to a decline in losses by stoppages of work.

AUSTRALIAN WHALING INDUSTRY - 1954.

Australia's whaling industry last year earned £1,600,000.

The Department of Commerce and Agriculture announced that each of the five Australian Stations had caught its full quota of whales - a total of 2,040.

Production amounted to 100,000 barrels of oil, 5,000 tons of meat meal, and 1,400 tons of dried whale solubles.

The catch was 39 more than in 1953, but oil production was slightly less.

The quotas caught at each of the five stations were :-

Point Cloates	((W.A.))	600
Carnarvon	((W.A.))	600
Albany	((P.A.))	120
Tangalooma	((Q))	600
Byron Bay	((N.W.))	120

The Byron Bay station began operating on 29th July and filled its quota on 22nd October.

RADIO BEACON STATION?

Radio beacon stations are to be set up on Troughton Island ((N.W.Coast)), at Cape Leeuwin and Cape Borda ((Kangaroo Island)). All stations will transmit medium-frequency signals at 12 minute intervals, from 165 ft. masts, enabling vessels in the vicinity to take bearings at any time.

The half-kilowatt stations at Cape Leeuwin and Cape Borda will have a range of 350 miles by

day and 50 miles by night. Troughton Island, however, will use 3,8 kilowatts for a minimum range of 360 miles by day and 60 miles by night, irrespective of tropical static. In addition it will have H/F & F equipment with a minimum range of 250 miles.

BROOME PEARL DTC INDUSTRY.

It is anticipated that through the introduction of more Japanese divers, some trouble may arise when the next pearling season commences at Broome. Chinese who have given good service in the industry have been asked by the Master Pearlmen to act as Second divers to the new Japanese divers.

Those Chinese who have already completed their contracts will probably prefer to be repatriated rather than accept the new conditions and those whose term of contract has not expired are most unhappy about the situation.

WEST BEACH ((ADELAIDE)) AIRPORT.

On 15th February, West Beach ((Adelaide)) Airport took over from Parafield all scheduled airline movements for the capital city, following the completion of temporary passenger facilities at the side of the A.N.A. hangar. After the last regular plane left Parafield, road convoys of trucks and semi-trailers escorted by police on motor cycle outfits began transferring the last of the airline equipment to the new airport and continued throughout the night. These were supplemented by two A.N.A. DC3's that maintained a shuttle service between the two aerodromes.

Parafield will continue to be used as a secondary aerodrome for the Royal Aero Club of S.A., charter work and private aircraft and the Department of Aircraft Production's maintenance depot.

The Department of Civil Aviation asked the Shell Company of Australia to extinguish their revolving light beacon on Shell House, Adelaide, as it was considered that its continued operation would constitute a navigational hazard for aircraft using the new airport and this was complied with after the night of 14th February.

TERRITORY OF PAPUA AND NEW GUINEA.

Oil Prospecting.

The Pacific Uranium and Oil Syndicate Limited, with an authorised capital of £125,000, was recently formed in Sydney and plans to prospect for oil in New Guinea and Australia and for uranium in Australia.

Operations in New Guinea will take place in the Aitape, Wewak and Cape Vogel areas.

DUTCH NEW GUINEA.

Visit of Netherlands C.N.S.

Accompanied by several high-ranking Dutch Naval Officers, Vice-Admiral A. de Booy, Chief of the Netherlands Naval Staff, has been undertaking an inspection tour of Dutch New Guinea.

Defences.

Marines are now responsible for the land defence of Dutch New Guinea, 1,000 of whom are at Biak, with detachments at Sorong, Fak Fak, and Southern points.

Warship dispositions are :-

PIET HEEM ((Destroyer)).	Remains in Dutch New Guinea until July or August.
J.M.VAN NASSAU((Frigate)).	Arrives in March.
TERNATE(Mine sweeper)).	Returns to the Netherlands in July and is being replaced by :-
J.VAN BRAKEL(Frigate)).	
LUYMES(Survey Vessel)).	Surveying along the South Coast.
2 L.C.T's and sundry small craft variously disposed.	

Air Services.

Two "Beaver" amphibious aircraft arrived at Biak recently. They will facilitate contact with inland areas.

Up till now, 14 air-strips have been constructed and 17 mooring sites for Seaplanes will shortly be ready.

SHIPPING INFORMATION.New Tug for Port Adelaide.

A new diesel tug is being built in Scotland for Ritch & Smith Ltd., of Port Adelaide.

The particulars are :-

Length	:	120 ft.
Moulded beam	:	32 ft.
Moulded depth	:	14 ft. 9 ins.
Draught	:	10 ft. 9 ins. for'ard, 14 ft. 9 ins. aft.
Engines	:	Two British Polar M48I diesel, hydraulically coupled. Fitted with Kort nozzle.
Drawbar	:	25/30. tons.

The addition of this new tug to the Port Adelaide "fleet" will remove any grounds for criticism by masters of overseas passenger liners that the tugs used there for berthing their vessels are not powerful enough.

Launching of M.V. BARALGA.

The 6,000-ton motorship "BARALGA", sistership to the vessel "BOONAROO", was launched at Woolwich Point, Sydney, on 11th December, 1954, by the daughter of the Prime Minister, Miss Heather Menzies.

Shipbuilding at Whyalla.

The framework of the 10,000-ton bulk carrier "LAKE EYRE", being built at Whyalla for the Aus-

tralian Shipbuilding Board has been placed in position, and two-thirds of the steel plating erected. The ship will be 435 feet long, will have a 58 ft. beam and a depth of 34 feet. She has been designed to give a speed of 12 knots, and when completed later this year she will be the 26th vessel to have been built at Whyalla.

The framework for a sister ship to the "IRON WHYALLA", 23rd launching, is in position but work on the "LAKE EYRE" is being given preference.

M.V. "MORLXLTATA" - New Schedule.

Following the cessation of operations by the M.V. "MOONATA", the schedule for the Adelaide Steamship Company's other Gulf port's vessel M.V. "MORLXLTATA" has been altered. Previously the "MORIALTA" used to call at the three small Eyre Peninsula ports of Tumby Bay, Port Neill, Arno Bay and Whyalla on the outward trip but on the new run, which she commenced on 8th February, Port Neill is omitted and Port Augusta included. The return journey varies according to the cargo demands, sometimes she will return via Port Pirie or Port Lincoln and at others, Whyalla or Tumby Bay.

Not as large as the "MOONATA", the "MORIALTA" is more modern, cheaper to run, and better suited for the Gulf trade. On 8th June, 1942, the late King George VI reviewed his Fleet at Scapa Flow from the "MORIALTA" and she has the distinction of being first Merchant vessel from which a King of England has done this.

SECTION V.SPECIALL ARTICLES.ISLANDS OFF CHINESE MAINLAND HELD BY
CHINESE NATIONALISTS.

With the loss of the Tachen Group, the Chinese Nationalists still control directly or indirectly some seventeen islands or groups of islands off the Chinese mainland.

Some of these islands are garrisoned by regular troops under the full metropolitan administration of the Chinese Nationalist Government; others are garrisoned by anti-Communist guerrilla troops under the control of a guerrilla general, who may act quite independently from the Nationalists, but may also cooperate with them, especially in such islands as are garrisoned by both regular and guerrilla troops; and the remaining islands are those which are periodically visited by patrols which remain for a short time as an observation detachment and then return to their base. These islands are sometimes visited also by Communist patrols and occasionally these patrols clash. Although the Nationalists claim that these islands are being controlled by themselves, it is considered that any Nationalist patrol trying to remain on the island for more than a few days would be ousted by the Communists. The sympathies of the population on such islands probably change according to which patrol is visiting at the time.

Nationalist warships are detached from the Regular Naval squadrons based in Formosa to undertake patrols of the Nationalist-held islands. The

Fourth Squadron of the Chinese Nationalist Navy is based on Makung,, in the Pescadores*.

The islands which are garrisoned by Chinese Nationalist regular troops ((supplemented by guerrilla troops)) comprise :-

Pai Sha Island ((Gordon Island))	26°16'N,	119°59'E
Tang Ki Island	26°13'N,	119°59'E
Matsu Island	26°09'N,	119°56'E
Pai Kuen Group ((White Dogs))	25°58'N,	119°57'E
Quemoy Island	24°27'N,	118°26'E
Little Quemoy	24°26'N,	118°15'E
Pescadores	23°40'N,	119°35'E
Pratas Island <i>o</i>	20°40'N,	116°45'E

(*o* a weather station.)

Apart from the Pescadores, the islands which have the strongest garrisons are Quemoy and Matsu. They are of strategical importance as they lie off Amoy and Foochow respectively, both of which would be important bases for the Chinese Communists to operate from in any attempted invasion of Formosa.

Quemoy Island and Little Quemoy are the most heavily garrisoned islands, some 55,000 regular troops being stationed on them. A great deal of road construction has been undertaken for military purposes on Quemoy and it has a 1,200 yard airstrip. Also, there is quite a quantity of artillery on Quemoy. Separately from the garrison, there are about 40,000 people living on the island, which is only 2,000 yards distant from Amoy.

The garrison on Matsu, including the garrison in the Pai Kuen Group, numbers about 20,000. The

island has an airstrip 600 yards long. Matsu is about 20 miles distant from Foochow.

With the possible exception of Quemoy, the islands are of no economic value in themselves. They are all subject to much the same monsoonal conditions as apply to the West Coast of Formosa, although in the northernmost islands, the winter monsoon period is shorter than in the Formosa Strait. As some form of lee is nearly always available, it cannot be said that assault by the Communists is impossible at any time, but except for islands close to the coast, it would be unlikely in the height of the north-east monsoon.

The Tachen Group, recently vacated by the Chinese Nationalists, lies about 200 miles north, and is of little strategical importance in relation to the defence of Formosa. United States' guarantees in regard to the defence of Formosa were defined recently in the U.S.A.-Nationalist China Mutual Defence Treaty signed at Washington on 2nd December, 1954. This treaty covered a guarantee by the United States to come to the aid of Nationalist China in the event of an attack on Formosa and the Pescadores, but it also contained a clause that the guarantee could be extended to such other territories as might be determined by mutual agreement.

NEW CALEDONIA - ECONOMIC SITUATION.

Despite its potential wealth, the economic history of New Caledonia has been disheartening. In both mineral and agricultural production many ventures, begun in high hopes and with the apparent promise of success, have failed.

Probably the chief cause has been the failure to solve the problem of the provision of adequate and suitable labour, in particular to develop the mineral resources. There is no surplus native population to provide an employment pool, nor are the natives suited to the work. The indenture system, which has never been highly satisfactory, has been suspended. There have been attempts in post-war years to obtain labour from Australia and Italy, but they have not been successful. Proposals in 1953 to bring in Japanese on a modified indenture system were rejected by the Government, but may well be revived owing to the changing attitude towards the Japanese through the effluxion of time. Whereas the mining industry is now paying the normal rates for unskilled labour instead of the low wages paid under indentures, opinion appears to be that the future of the industry lies in the introduction of modern equipment and methods, and the employment of skilled European labour.

Closely allied to the labour problem is the shortage of power. Local coal deposits, though extensive, are low-grade and the smelting industry has had to depend on uncertain supplies of Australian coal, expensively carried in ships which find little return cargo. Plans to ship iron-ore to Newcastle in 1955 may lead to a solution of this problem. The development of hydro-electric power may also promote progress. This has been retarded in the past by lack of capital, partly because much of the profits from the mineral industry has been drained off by share-holders in France.

Lack of capital has also prevented a proper approach to agricultural problems of pests and weeds and the adequate use of fertilisers.

French tariff policy, now considerably modified, has tended to make the Colony a reserved market for France, at the same time forcing it to compete with foreign rivals in the sale of its products to the mother-country.

Finally, the economy depends in large measure on the demands and prices for nickel and chrome, both of which have shown wide fluctuations.

Trade balances have been consistently unfavourable. In 1952 exports amounted to £A8,250,000 and imports were £A10,262,500. Australia took 1½% of exports and provided 25% of imports, the chief items being coal and coke for smelting, and flour.

The economic importance of New Caledonia lies in its wealth of minerals. The island is a veritable mineralogical museum and contains, in appreciable quantities, antimony, argentiferous lead, asbestos, barium, chrome, jasper, limestone, magnesite, manganese, marbles, mercury, nickel, platinum, turmaline and zinc.

With the exception of nickel and chrome which provides much more than one-half of the total value of exports, the production of minerals has not been successful. Iron ore of low grade is the most abundant deposit, but lack of good quality coal prevents its exploitation. Japanese capital developed an expanding industry in iron-ore at Goro, in the South, before the war. Whereas at the beginning of 1955 all Japanese assets in New Caledonia were still frozen by the Government, this trade may re-open. A trial shipment to the Broken Hill Proprietary Company Limited at Newcastle in 1950 was not promising as no satisfactory method was found of removing

traces of nickel from the ore, but further shipments are to be made in 1955 of 180,000 tons from Prony, near Coro.

Coal was mined at Moindu before the War, but even when mixed with higher quality Australian coal was not satisfactory.

Cobalt was extensively mined, but the industry was killed by competition from Belgian-Congo and Canada. The Societe le Nickel is reviving the industry in 1955. Cobalt assumes a new importance in view of its importance in nuclear fission.

At various times copper, gold, manganese, mercury, lead and zinc have been produced unprofitably and operations have ceased. B.H.P. is now showing interest in manganese.

Petroleum has been extracted near Koumac on the North-West coast, but the deposits have not been worth developing. Gypsum sufficient for use in the smelting furnaces is produced.

Nickel.

New Caledonia is second only to Canada in the production of nickel, but the apparent significance of this statement is diminished when it is realized that Canada produces 90% of world supply, and New Caledonia 7%. The industry is controlled by the Societe le Nickel and much of the profits return to France.

The ore is treated in three coke and three electric furnaces at the Doniambo Point smelting

works at Noumea and is exported in the form of ferro-nickel matte containing 75% nickel. 3% to 4% crude ore is also exported, and Japan contracted to take 200,000 tons of this ore in 1955.

The chief mining centre is Thio ((on the East coast)) which produces about two-thirds of the total output. A smelting plant established here has been closed as it is found more economical to transport the crude ore to Noumea.

A hydro-electrical plant at Yate ((East coast)), erected in an attempt to overcome dependence on Australian coal, no longer smelts ore locally, but supplies electric power to Noumea. Its capacity will be increased.

There are large deposits of ore at Kone and Vohi ((North-West coast)) but these are held in reserve. The Japanese operated a mine at Kua ((East coast)) and a German company at Yahoué ((South-West coast)). Deposits are apparently inexhaustible and are widespread.

Chromium.

Now Caledonia ranks seventh as a producer of the world's supply of chromium. Development of deposits in the U.F.S.R., and the Philippines has reduced her output from 10% to 5% of world production. Whereas formerly U.S.A. was a ready buyer, she has transferred her preference to the Philippines, and the industry is somewhat depressed.

The most important centre is at Tiebaghi in the North, where mines operated by the Societe la

Tiebaghi, controlled by British interests, produce about one-half of the total output. The ore is shipped from Paagoumeme. American interests are represented in mines at Nahoue, and French and Australian interests at Koumac, both in the Tiebaghi area. Smaller local interests operate somewhat spasmodically throughout the island, particularly in the Plaine des Lacs area in the South.

JAPANESE MARITIME SELF-DEFENCE FORCE ((NAVY)).

A review of the Japanese Maritime Self-Defence Force ((Navy)) for 1954 shows that progress has been slow. No new construction has been completed and the only significant change has been the replacing of the Chief of the Second Staff Office, Vice-Admiral K. Yamazaki, a bureaucrat, by Vice-Admiral K. Nagasawa, a regular naval officer who was present at the Battles of the Java and Coral Seas and at Midway as a Staff Officer.

The fall of the Yoshida Cabinet also meant that the efficient T. Kimura was relieved of his post as Head of the Defence Agency. His place has been taken by S. Omura who was Home Minister in the 1947 Yoshida Cabinet and is an ex-Liberal.

In July, with the changing of the name of the Coastal Safety Force to the Maritime Self-Defence Force, full naval titles were restored. This also applies to the other arms of the Services.

The Constitution remains unchanged but despite this and considerable opposition from the Left Wing to rearmament, the revival of the Japanese Defence Forces continued steadily including the introduction of a separate Air Force.

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