

SECRET

Australia Station Intelligence Summary



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C O N T E N T S .

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S E C R E T

S E C T I O N I.

R.A.N. AND OTHER COMMONWEALTH NAVIES.

(a) ROYAL AUSTRALIAN NAVY.

H.M.A.S. QUEENBOROUGH.

September was a very busy month for QUEENBOROUGH, who continued her training with N.A.T.O. nation ships in the United Kingdom and North sea.

At the beginning of the month she took part in A/S exercises with H.N.M.S. EVERTSEN and K.N.M. STAVANGER against the Norwegian submarine KYA. Comments made by foreign officers in the accompanying ships indicated that they were surprised by the way the anti-submarine equipment enabled QUEENBOROUGH to hold firm contact and "run rings around them" during the hunts.

On 17th September, while QUEENBOROUGH was preparing to leave Londonderry after some months in that area, Captain (D) Third Training Squadron came on board to address the Ship's Company. He presented the Chief Boatswain's Mate with a crest of H.M.S. WIZARD, and the Captain with two small plaques of the Red Hand of Ulster. The Red Hands were worn on the funnel until QUEENBOROUGH arrived in Portsmouth in October, and were then installed on the bridge superstructure.

QUEENBOROUGH slipped after Captain (D) left, and, as she sailed down the line of N.A.T.O. and Third Training Squadron ships present in port, she was given a cheerful farewell with music playing, rockets being fired, brown smoke-puffs and Very lights.

On 18th September QUEENBOROUGH arrived at Invergordon, Scotland, where most of the Home Fleet were present, gathering for the large-scale exercise "Sea Enterprise". QUEENBOROUGH had been called to Invergordon to be visited by the Prime Minister, Sir Anthony Eden, and the Commander-in-

Chief, Home Fleet. On the following day, however, the Captain was advised that the Prime Minister would be unable to visit the ship because of ill-health. Other special arrangements for his inspection of the Home Fleet also had to be cancelled.

The fleet sailed for the exercise on 20th September, the two senior ships being GLASGOW (Flag Officer Flotillas Home-Rear-Admiral R.G. Onslow, C.B., D.S.O.***) and EAGLE (Flag Officer Aircraft Carriers - Rear-Admiral A.R. Pedder).

The broad outline of exercise "Sea Enterprise" was as follows :-

For:

- (a) Fast carrier operations against land targets in Norway; A/S patrols by helicopters and Fairey Gannets and strikes on enemy shipping. QUEENBOROUGH formed part of the carrier screen.
- (b) Hunter-killer operations against enemy submarines by H.M.C.S. MAGNIFICENT and five Canadian escorts.
- (c) Replenishment from fleet train ships escorted by Norwegian and Canadian escorts.
- (d) Shore-based aircraft giving distant support to surface forces.

Against:

- (e) Submarines.
- (f) Shore-based aircraft attacks on the fleet train.
- (g) Heavy cruiser attacks on the carriers and fleet train.

Several incidents occurred during the exercise: two helicopters ditched, but the crews were safely recovered;

a Wyvern aircraft from EAGLE crashed near QUEENBOROUGH, who assisted helicopters to search for the pilot who, however, was lost; fuelling operations at night from ALBION and WAVE SOVEREIGN resulted in two collisions and several parted hoses (none concerning QUEENBOROUGH).

On completion of the exercise, the ships proceeded to the Norwegian port of Trondheim on 28th September. The exercise critique was held in one of EAGLE's hangars, and over 400 N.A.T.O. representatives were present, including the Crown Prince Regent of Norway and the Commander-in-Chiefs of the N.A.T.O. forces taking part. As far as QUEENBOROUGH was concerned, it was confirmed that a submarine kill awarded to H.M.S. DIANA and QUEENBOROUGH was the only one of the exercise, and was the only submarine to attack the carrier force. Several submarine attacks on the replenishment force were not followed by successful hunts.

The weather was bad during the stay in Trondheim, and the various ships' companies had only limited opportunities to go sight-seeing ashore. Trondheim is not a large town (population 45,000) and there were over 20,000 sailors in port. The local inhabitants, however, did their best to provide hospitality for the large number of visitors.

QUEENBOROUGH sailed from Portsmouth on 22nd October after spending over six months in the United Kingdom. En route for Sydney, where she is due on 19th December, she will call at Karachi, Cochin and Colombo.

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H.M.A.S. SHOALHAVEN.

After inspecting the Japanese Pearlring Fleet on 4th August, SHOALHAVEN called at Jensen Bay in the Wessel Islands Group on 5th August. The Captain and a party landed and paid a visit to "King" Jingalow, the Chief of the small aboriginal tribe on Marchinbar Island. He greeted

the party wearing a pair of blue working-dress shorts, a Lieutenant-Commander's monkey jacket (one gold stripe missing) and a Naval Officer's cap complete with badge and cap-cover in remarkably good condition. The Captain was impressed with his confident manner, his good humour and his good English. Whether by arrangement or not, the "Chief" has assumed responsibility for the safe-keeping of the buildings and stores left by the Aluminium Commission on completion of their survey of the island. He is very proud of his trust. After providing a conducted tour of the local billabong, the "Chief" provided some afternoon tea consisting of sweet biscuits and glasses of water in his "palace", the Aluminium Commission's former mess-hall. The party said farewell after signing the visitors' book - a Naval signal pad.

SHOALHAVEN completed her tour of duty in Darwin with the sailing of the Japanese Pearlning Fleet for Japan in mid-October. She sailed from Darwin on 25th October and was due in Sydney on 3rd November.

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H.M.A.S. FREMANTLE.

During a visit to Darwin in August personnel from FREMANTLE took part in an "assault" operation on H.M.A.S. MELVILLE.

On 17th August a landing party of one officer and fourteen ratings left the ship by whaler to obtain "valuable information from an agent" detained in the cells at MELVILLE. The landing party, looking like devils incarnate, waded ashore, scaled the cliff-face, regrouped into two sections and assailed MELVILLE.

Number One Section proceeded direct to the objective, and, after overcoming and locking up the sentry (who put up considerable resistance), the "agent" was interrogated.

He refused to part with the information until it was explained that no harm would come to him.

Number Two Section took over the power station, the communications, and detained the entire Naval Staff Office. FREMANTLE was fed with SITREPS during the operation. There was no opposition and it was not necessary to use Grenades Lachromatory.

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Ex-H.M.A. Ships BALLARAT and GOULBURN Leave Australia.

On 1st September an interesting tow left Sydney heading north. The towing vessel was the 382-ton S.S. "ISABEL", owned by the Isabel Navigation Co. (John Manners and Co. Ltd.), and the ships towed were the former Ocean Minesweepers BALLARAT and GOULBURN purchased by John Manners and Co., Hong Kong, and renamed "CARMENCITA" and "BENITA" respectively.

The first leg of the tow was to have been to Rabaul, where John Manners and Co. have sold "BENITA" to Messrs. Nelson and Robertson Pty.Ltd. as a lighter for copra storage. ("BENITA" is virtually a hulk, as she has been almost completely gutted out and her engines removed in Sydney).

S.S. "ISABEL" was to continue the tow of "CARMENCITA" to Kobe, where the ex-O.M.S. is apparently to be broken up. ("CARMENCITA" has been demilitarised, but her boilers and engines are in suitable condition for refitting to permit the vessel to steam).

Little publicity accompanied the departure of the tow from Sydney, "BENITA" being the first ship at the end of the tow-line and "CARMENCITA" being secured to the stern of "BENITA". All went well for ten days, the tow making a good speed of advance of 5 knots. On 12th September, however, whilst in position 500 miles north-east of Townsville, "CARMENCITA" broke adrift and "ISABEL" commenced a search for her whilst still towing "BENITA". After

several days' fruitless searching, during which an air search by R.A.A.F. aircraft from Townsville was also unsuccessful, "ISABEL" continued on to Samarai with "BENITA". Leaving "BENITA" at Samarai she returned to the area to search and was fortunate in recovering "CARMENCITA" on 20th September.

"ISABEL" proceeded to Cairns for fuel and departed with "CARMENCITA" on 29th September for Kobe, via Hong Kong.

It is understood that John Manners and Co. acquired the two vessels for £4,000. A previous purchaser of the ships, the American Trading and Shipping Co., is believed to have paid out £25,000 on purchase money and harbour dues for the period the ships were lying in Sydney prior to the present sale.

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R.A.N. Fleet Air Arm Front Line Squadron Programme-1956.

The following programme is planned for Front Line Squadrons for 1956 :-

(a) Fighter Squadrons.

- (i) 805 Squadron to remain as an eight-aircraft Sea Fury Squadron.
- (ii) 808 Squadron to continue its work-up programme in the United Kingdom with Sea Venom Mk.21 aircraft on loan from the Royal Navy. The personnel will embark in H.M.A.S. MELBOURNE for return to Australia in March, 1956. After a period ashore at N.A.S. Nowra, using Sea Venom Mk.53 aircraft, the Squadron will embark in MELBOURNE for the rest of the year.

(b) A.S. Squadrons.

- (i) 816 and 817 Squadrons to continue their work-up programme in the United Kingdom with Gannet Mk.1 aircraft, returning to Australia in MELBOURNE. After a period ashore at Nowra, both Squadrons will also embark in MELBOURNE for the remainder of 1956.
- (ii) 851 Squadron to remain as a twelve-aircraft Firefly Squadron.

MELBOURNE is expected to embark 808, 816 and 817 Squadrons before sailing for Sydney on 6th March 1956.

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(b) ROYAL CANADIAN NAVY.Naval Shipbuilding Programme.

It is estimated that the R.C.N. destroyer-escort building programme will cost approximately £A95,000,000 each of the fourteen vessels included costing £A6,800,000.

The ships will be 366 feet long, with a displacement of 2,000 tons and a crew of 270 officers and ratings. The first vessel laid down, H.M.C.S. ST. LAURENT, is at present undergoing builder's trials and she is due to be commissioned shortly.

The remainder of the destroyer-escorts will be progressively commissioned between 1956 and 1958.

(c) ROYAL PAKISTAN NAVY.

South-East Asia Cruise.

H.M.P.S. SIND, wearing the flag of the Commander-in-Chief R.P.N., in company with TUGHRIL, TIPPU SULTAN and CAIMUR, has commenced a goodwill cruise in South-East Asian waters. Included in the programme are visits to Penang, Singapore and Djakarta, and exercises will be carried out with R.N. and U.S.N. ships.

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S E C T I O N II.NAVAL AND OTHER ARMED FORCES INTELLIGENCE,
INCLUDING TECHNICAL INTELLIGENCE.U.S.S.R.Arrival of Soviet Naval Force in the Far East.

A further examination of sighting reports of the Soviet Naval force which was reported in A.S.I.S. No.34 to have arrived in the Soviet Far East via the Northern Sea Route, reveals the following break-down of ships by classes :-

- 2 SVERDLOV class cruisers
- 1 TALLIN class destroyer
- 12 KOLA class destroyer escorts
- 12 KRONSTADT class patrol vessels
- 2 "Z" class submarines
- 10 "W" class submarines
- 1 Submarine tender (NEVA)
- 5 Auxiliaries
- 8 Unidentified, probably minecraft.

New Soviet Air-Warning Radar Array.

A new type air-warning radar has been observed on a Soviet destroyer. Fitted atop the mainmast, it is a truncated paraboloid reflector of wire mesh construction, measuring approximately $12\frac{1}{2}$ feet in the horizontal and approximately $6\frac{1}{2}$ feet in the vertical plane, respectively, fitted on a pedestal support.

The waveguide, which has a "b" dimension of about 6 inches, is terminated in a horn which faces the reflector coming from above. Two balancing vanes are fitted to the rear of the reflector, presumably for the purpose of equalizing the torque set up by wind-pressure about the aerial's

axis of rotation. The array is believed to be capable of rotation in azimuth only, and is not thought to be stabilised.

New Navigational "X" Band Radar Set.

The Soviet periodical "MORSKOI FLOT" contains an illustrated article on a "new miniature radar unit" designated "STVOR".

The equipment appears to be well designed, and judging from the longest range scale, i.e. 25 miles, it has a performance comparable to that of Type 974.

It has not yet been observed fitted in any Soviet or Satellite ships.

Sighting of New SVERDLOV Class Cruiser.

A new SVERDLOV Class Cruiser has been sighted working up in the White Sea area off Archangel.

This is the second SVERDLOV Class Cruiser to be built at the Molotovsk Yard. It brings the total tally of SVERDLOV's up to at least 12.

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NORTH KOREA.

Naval Strength.

The strength of the North Korean Navy, according to an estimate prepared by the Republic of Korea Navy (South Korea), is now 7,384 personnel and 104 craft totalling approximately 10,240.

Naval Command.

It has been reported that Lee Yong Ho has been appointed as Commandant of the North Korean Navy with the rank of Vice-Admiral.

Ho served for eight years, mostly as a guerrilla, with the Chinese Eighth Route Army against the Japanese and during the Korean War was appointed Lieutenant-General in command of the 7th Corps of the North Korean Army.

He was awarded the North Korean Hero's Merit for his part in the destruction of the U.S. 24th Division and the capture of General Dean at Nakton River in July, 1950.

He apparently has no sea training, although his whereabouts during 1954 are unknown.

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SOUTH KOREA.Naval Strength.

Two more Escort Control Patrol Craft (PCEC) and two LST's have been transferred by the United States to the South Korean Navy. This brings the total of these craft transferred since July 1955 to 4 PCEC's and 3 LST's.

These bring the strength of the South Korea Navy to:

Frigates		4	
Submarine Chaser (PC)		5	
"	"	(PCE)	9
"	"	(PCEC)	6
"	"	(SC)	3
MTB's		3	
Motor Minesweepers		10	
Amphibious Craft		57	
Auxiliaries		25	
			23

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JAPAN.Military Advisory Group.

The formation of a Military Advisory Group of 14 Senior ex-service officers has been announced by the Director-General of the Japanese Defence Board.

The group will include seven ex-Generals of the former Imperial Japanese Army (including one ex-General of the former Japanese Army Air Force) and seven ex-Admirals.

Some of the appointees were members of the War Council of the Tojo Cabinet.

Combined Exercises in Hokkaido area.

Combined Japanese manoeuvres on a considerable scale are reported to have taken place in the Hokkaido area, but no details are at present known.

Appointment of Military Observers at Japanese Embassies.

Japan will station military observers in her principal Embassies abroad for the first time since the war.

This move is intended to assist in the development of Japan's armed forces by the gathering of information that will assist the various arms of the Services.

Observers will be stationed in the United States, United Kingdom, France, West Germany, Sweden, Turkey and Nationalist China.

It is intended that the observers in Sweden and Turkey will have the added duty of gathering information on the Soviet Union and those at Formosa will be concerned with Communist China.

Design for New Japanese Small Submarine.

The designer of the Japanese KAIRYU class midget submarine which was in production, although not in operation at the end of World War II, has completed a design study of a small submarine which he claims is suitable for use in the Japanese Maritime Self-Defence Force.

A development of the KAIRYU class, the new boat will be 130 feet over-all with a hull diameter of 8 feet and a displacement of approximately 320 tons. A 2,500-h.p. Mitsubishi Z C 20-cylinder, 2-cycle diesel engine is estimated to give a 20-knot maximum surface speed and an 1,800-h.p. electric motor will provide an estimated 18 knots submerged speed.

The low hull cross-section/weight ratio of the boat results in negative buoyancy for the actual hull form. This is overcome when the boat is at rest by forcing fuel or air into collapsible external rubber tanks which then provide the additional buoyancy. When the submarine is underway the fuel is returned to the tanks within the submarine, the external tanks collapse and although no longer buoyant, the boat is supported by two wing-like hydrofoils mounted on each side amidships - a novel feature for a submarine.

Freed from displacement considerations it was possible to design a much smaller hull form in proportion to over-all weight of the boat and thus reach an unusually high degree of underwater efficiency.

Another unusual feature of the submarine is the torpedo launching system. Torpedoes are contained in individual tubes resembling cartridge cases which are held in racks in the same manner as rounds in the clip of a rifle. The entire torpedo compartment is free-flooding, so that when a torpedo is to be fired the tube containing the torpedo drops into the launching position where it is held until the instant of firing. The torpedoes are launched by rockets from these tubes, which, after firing, are re-

leased and sink to the bottom.

Five 53 c.m. torpedoes and eight 45 c.m. torpedoes will be carried in this manner; thirteen additional 20 c.m. torpedoes will be carried in retractable tubes fitted along the deck of the submarine.

The pressure hull, made of high-tensile steel plate will, together with the relatively small hull diameter, allow safe operation down to 150 fathoms; and sound insulation and a shrouded propeller will permit practically silent operation at that depth.

The conning tower will house an array of electronic gear, including both passive and active sonar, radar, passive ECM and infra-red gear and a geiger counter. The equipment is so installed as to enable the conning tower structure to telescope to less than one-half its usual height when high under-water speed is desired.

Two snorkels will be provided for Diesel operation, one being directly connected to the engine intake and the other to the living compartments.

An automatic pressure valve insures against violent pressure changes when the snorkel closes.

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COMMUNIST CHINA.

Southward Movement of M.T.B. Strength.

A reduction in the number of M.T.B.'s being sighted at Tsingtao and Shanghai tends to the belief that there has been a southerly shift in M.T.B. strength. Recent reports of fourteen M.T.B.'s being sighted together at Yulin, and eight together in the Pearl River support this belief.

A number of M.T.B's are believed to be operating off the Chekiang and Fukien Coasts.

Arming of Communist Merchant Vessels.

A number of Chinese cargo vessels of about 3,000 to 5,000 tons observed in Shanghai recently appeared to be fitted with gun sponsons, and in some cases guns were fitted as well.

The arming of some Communist tankers was noted some months ago.

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SOUTH VIETNAM.

Naval.

Diem has formally appointed Capitaine de Corvette My to the command of the Vietnamese Naval Forces, which at present have a personnel strength of 410. Ship strength is :-

- 1 Submarine Chaser
- 3 YMS's
- 1 LSSL
- 2 LSIL's
- 21 LCM's
- 3 LCU's
- 24 LCVP's

Until recently the Vietnamese Navy was under the command of the French Naval Adjutant to the Chief of Staff, Vietnamese Armed Forces.

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INDONESIA.Shallow Draught Minesweepers.

The last of the eight R.401 Class shallow-draught minesweepers constructed at the Abeking and Rasmussen Shipyards in Germany for the Indonesian Navy (A.L.R.I.) was recently launched.

The ship, which has been named PULAU RINDJA, will probably take about six weeks to complete.

Four of the eight minesweepers are already in service in Indonesian waters. These are the PULAU RAAS, PULAU RAU, PULAU ROMA and PULAU ROTI.

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SWEDEN.New Main Armament Mounting for Destroyers.

The Swedish Admiralty has asked Bofors to design a new single 12 c.m. automatic mounting which is to be fitted in a future class of destroyer.

The requirements are that all fire control equipment and the tracker and director shall be mounted on the mounting, thus making it completely self-contained. It should have a rate of fire of 60 rounds per minute.

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S E C T I O N III.EXTERNAL POLITICAL, POLITICO - MILITARY
AND ECONOMIC INTELLIGENCE.U.S.S.R.Development of the Port of Nakhodka (Soviet Far East).

Quite a considerable amount of developmental work is now taking place at Nakhodka. The work includes blasting, piling and dredging.

Nakhodka is the port of entry for foreign vessels visiting the Soviet Far East. Originally it was thought that the port would be strictly a commercial port, but it is now known that it is being also used as a submarine base. It is unlikely that it will be developed into a major naval base, as for the present at least few restrictions are placed on the movements of visiting foreigners ashore.

Two fairly large dark-grey painted ships thought to be naval depot ships were recently observed entering Wrangel Bay, which is situated 10 miles E. of Nakhodka. Two other similar ships were seen secured to buoys in this bay.

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JAPAN.Shipbuilding.

According to a New York press report, Japan has so far received this year orders from foreign countries for the construction of 172 vessels, totalling 3,780,960 dead weight tons.

Most of the ship construction now being undertaken in Japan consists of tankers and large ore-carriers.

The rapid development of ship construction in Japan is somewhat surprising, as it had been represented that rising costs of labour and material would prohibit her from becoming a serious competitor in the shipbuilding industry.

Japanese shipbuilders, however, apparently in the hope of retaining the goodwill of their foreign ship purchasers and of promoting the sale of ship's gear and accessories, are reported to be planning an "after-sales" service to foreign-owned vessels built in Japan.

The report states that their plan envisages a Government-subsidised organisation known as the Shipbuilding and Engineering Overseas Service Organisation with marine "service stations" established at New York and Bangkok, adequately stocked with spare parts and staffed by skilled technicians.

Rocket-firing Tests.

A series of rocket test firings is being conducted in Japan with the declared aim of designing a rocket for upper-atmosphere research during the International Geophysical Year beginning in July, 1957.

The firings are being conducted by the supersonic aviation group of the Research Institute for Industrial Sciences, Tokyo University, under the direction of Professor Hideo Itokawa, designer of the wartime Japanese Navy fighter "Hayafusa".

The principal testing ground is Michikawa Beach, Iwaki, Akita, and from results so far there is every indication that Japan would be competent to carry out a guided missile research programme.

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COMMUNIST CHINA.Relaxation of Security Regulations at Shanghai and Tsingtao.

New type passes are now operating in Shanghai which provide more freedom and access to the whole of the city from certain restricted areas.

In Tsingtao (apart from the dock area) movement is unrestricted. In addition there is now an excellent Seamen's Club on the dockside for foreign merchant seamen. Cinema shows are provided free, and there are large comfortable reading and writing rooms.

Seamen's Clubs are being established at other Chinese Communist ports. Goods are for sale in the canteens and foreign currency is thus being obtained.

Possible Introduction of the Cyrillic Script.

North China News Agency recently announced that a new version of Mongolian written language based on the Cyrillic alphabet, (which is used by Russia and Bulgaria), will be introduced into Inner Mongolia. The present written language is based on phonetic symbols and is unsuitable for accurate expression. This development provokes speculation as to whether Cyrillic script will be introduced into Sinkiang, and eventually be adopted by China itself.

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CAMBODIA.Foreign Policy.

Prince Sihanouk (ex-King Norodom), whose party was successful in the recent elections in Cambodia, has accepted the Prime Ministership and has outlined his Government's foreign policy. He stated that Cambodia will not join any defence organisation nor will his country accept the protection of SEATO.

His Government also intends to amend the Constitution so as to make Cambodia a sovereign State no longer forming a part of the French Union.

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INDONESIA.

Elections.

Early results in the Indonesian elections indicated that the Nationalist Party had a substantial lead over the two Moslem Parties and that the Communist Party had also polled strongly.

Later returns, however, have tended to favour the Moslem parties who have reduced their deficit. Final results are not expected for a few weeks.

Japanese Trade Delegation.

The first twelve members of a 33-strong Japanese trade delegation have arrived in Indonesia to study the trade and industrial possibilities of the country. The leader of the delegation, Takeo Terao, said that Japan would be prepared to supply machinery and other capital goods, also capital technicians, etc., to enable Indonesia to become economically independent.

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SOUTH VIETNAM.

Referendum.

As has been widely expected, the referendum held in South Vietnam on 23rd October to decide the question of leadership of the country (Head of State) resulted in Ngo Dinh Diem securing an overwhelming victory over Bao Dai.

The referendum was held at the instance of Diem, who had ignored an order for his dismissal by Bao Dai - still sojourning in the French Riviera and likely to remain so!

The French have now recognised Diem as Head of State.

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BURMA.

Relations with Communist Countries.

It has been interesting to note recent visits of Burmese Missions and V.I.P's to Communist countries.

Towards the end of September a party of Burmese Military Officers, members of a Buddhist Cultural and Military Delegation, visited Peking on a goodwill mission.

U Nu the Prime Minister of Burma is at present visiting the U.S.S.R. and in return the Soviet Premier, Bulganin, has been invited to visit Burma in December, 1955 - January 1956, either en route to or subsequent to his visit to India.

The Burmese Purchasing Mission left Rangoon in two parties on 26th and 27th August for Yugoslavia, Czechoslovakia, Hungary, U.S.S.R., East Germany, etc. to collect general barter deals. The mission included War Office representatives.

Re-opening of Burma Road.

The Burma Road has now been reopened.

It will provide a regular channel for overland trade between Burma and China, but in view of the high cost of transport and the limited capacity of the route, no large-scale diversion from the normal sea shipment channels is likely to take place.

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S E C T I O N IV.AUSTRALIA STATION INTELLIGENCE.NEW OIL TERMINAL AT BOTANY BAY, NEW SOUTH WALES.

A new oil terminal with a capacity of 10,500,000 gallons has been built at Botany Bay, N.S.W., for the Anglo-United Petroleum Co. Ltd., and will market high-octane motor spirit refined in France.

The first tanker, "NOVICE LE MAOU", has discharged a cargo of spirit and is one of fourteen owned by the Compagnie Francaise de Petroles, which has the largest oil refinery in France. The tanker loaded the oil at Port de Bouc.

AUSTRALIAN IRON AND STEEL LTD. - NEW STEEL MILL AT PORT KEMBLA, NEW SOUTH WALES.

On 30th August the Prime Minister officially opened a £30,000,000 hot-strip steel mill at Australian Iron and Steel Ltd. works at Port Kembla.

The mill stands on 100 acres of land reclaimed from Tom Thumb Lagoon on the northern boundary of the Australian Iron and Steel Ltd. plant. The complete mill building stands on some 5,500 steel piles ranging in length from 15 to 98 feet.

The mill is capable of producing :-

Plate: $\frac{1}{4}$ " - $4\frac{1}{2}$ " x 24" - 75" x 120 ft.

Strip: Up to 60" wide x gauges down to .048"

WHALING INDUSTRY, WESTERN AUSTRALIA.

All West Australian whaling stations have now completed operations after a ~~most~~ successful season. Whale

length average was higher than last year and the whales were fatter with a consequently larger production per whale. Individual reports are :-

- (i) Cheyne Beach Whaling Co - Completed its quota of 120 on 5th August, giving a total operating time of 66 days, despite frequent gale force weather. Approximately 1,000 tons of oil were shipped out at the end of October.
- (ii) Australian Whaling Commission - Also experienced bad weather conditions, particularly at the start of the season but still managed to complete its quota of 500 in 80 days ending on 26th August. One hundred and forty three men were employed on the station this season. Two only of the Commission's three chasers were employed.
- (iii) Nor-West Whaling Co. - Also with a quota of 500 whales and completed on 19th September. This Company has been most successful in its operations in previous seasons and current prospects are equally bright. The company's dividend for the year just ended remained at a steady 20%. A new evaporator unit for the treatment of solubles has been installed at Point Cloates and additional storage erected.

BRITISH SOLOMON ISLANDS PROTECTORATE.

The Staff Officer (Intelligence), North East Australian Area recently paid a visit to Honiara (Guadalcanal), the administrative headquarters of the British Solomon Islands Protectorate.

Appended are some extracts from his report :-

Harbour Development, Honiara.

A project involving considerable expense for the development of harbour facilities at Honiara is about to be implemented and work is expected to commence in January 1956. The first stage of the plan provides for the construction of a wharf on the East side of Point Cruz, with sufficient depth of water to accommodate schooners and for a stub jetty at the N.E. end of the quay. The second stage (yet to be financed) provides for mooring facilities for large vessels near the quay, heavy bollards on the stub jetty and two mooring buoys.

Floating Dock for Tulagi.

Plans are in hand for constructing a floating dock in Hong Kong for use at Tulagi.

Until recently all B.S.I.P. craft were refitted in Australia, but owing to the high costs and time factor, they have transferred to Samarai. Even though the present facilities are a great improvement, the growing number of craft is making it essential for the Tulagi repair base to be self-sufficient.

The dock is to be a 400-ton self-docking type and it will either be towed complete from Hong Kong or shipped in sections and assembled at Tulagi.

Some sections of the Government favour a slipway, but at present it is almost certain that the floating dock will be ordered.

Guadalcanal Airfield.

The present field at Kukum is considered to be too small and it is intended to re-open Henderson Field which was once a big U.S. Air Base. This measure is necessary if Honiara intends to have an international airport

capable of taking four-engined aircraft.

At present, Henderson is overgrown but the coronous surface is still good and it should not take very much to make it serviceable once again.

The one drawback with Henderson is that it is likely to be cut off by floodwaters from Honiara, but an alternative route by sea from Alligator Creek is available.

Geological and Land Surveys.

An extensive mapping and geological survey is under way at present and it is the intention of the Government to prepare accurate maps of Guadalcanal and other main islands. U.S. and Australian aerial photographs are used in the first instance but are verified by survey teams before printing.

A considerable amount of money is being expended on developing the mineral resources of the Protectorate, with present emphasis on Guadalcanal.

In the opinion of Mr. J. C. Grover, who is head Geologist, the gold potential of 'Gold Ridge' is very promising and will definitely play a big part in the economic development of the Protectorate.

Police Force.

Over the past few years the Police Force has been modernised and streamlined into an efficient service. The most noticeable feature is the training of selected native recruits at the Police School, Hendon, England. These men, on graduation, become Commissioned Officers in the B.S.I.P. Constabulary.

Immigration.

Strict immigration legislation has recently been

brought into force, controlling the entry of Asiatics to the Protectorate.

Indians are only admitted on a work permit and the person applying for the permit is held responsible.

Chinese at present living in the B.S.I.P. are allowed to bring in wives, husbands or children, but all others are on a permit for three years, which in turn is covered by a bond holding them to the trade they were brought in for.

Chinese who have been in the Protectorate for a considerable time may apply for naturalisation.

Port Purvis - Water Point.

The old American watering point in Port Purvis at the entrance to M'Boli passage has been reconstructed, and ships up to 12,000 tons could take on water at a rate varying between 10 to 20 tons an hour. Ships would have to anchor and secure their stern to two sets of dolphins which have been recently constructed.

DUTCH NEW GUINEA.

Netherlands New Guinea Aviation Co. Ltd.

The Netherlands New Guinea Aviation Co.Ltd., was formed early in September in Amsterdam with a capital of £156,250(A). The company will operate air services within Dutch New Guinea and to surrounding territories under K.L.M. Royal Dutch Airlines management.

APPOINTMENT OF AN ASSISTANT TO NETHERLANDS NAVAL ATTACHE.

Lieutenant(S) C. SINKE, R.N.N. has been appointed Assistant to the Netherlands Naval Attache and has taken up his duties in Melbourne.

INTELLIGENCE OFFICERS IN H.M.A. SHIPS.

Lieutenant H.J.P. Adams, R.A.N., has assumed the duties of Ship's Intelligence Officer in H.M.A.S. QUICKMATCH.

Lieutenant I. H. Richards, R.A.N., has been appointed Ship's Intelligence Officer in H.M.A.S. TOBRUK.

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

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

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SOVIET SUBMARINE TRAINING.

It is evident from intelligence available to the Naval Intelligence Division, Admiralty, that during the past year the intensity of training in submarine warfare by the Soviet Navy has increased in all fleet areas to a level higher than ever previously recorded. Particular emphasis appears to have been placed on submarine training under wartime and also severe winter conditions, particularly in the Northern Fleet area where submarines are known to have operated in heavy seas and in arctic weather.

Not only have more submarines been observed in all fleet areas than in previous years, but there appear, at the same time, to have been co-ordinated operations by groups of submarines working together, often with aircraft and surface units. The distance observed between the submarines operating varied from 3,000 to 4,000 yards.

Soviet submarines have been sighted submerged using a whip aerial, suitable for VHF or near-VHF, mounted on a snort head. This aerial is about 15 feet in height. It is secured to the snort head by means of a spring hinge. A small metal plate is mounted half way up the aerial, probably for retaining the whip in the horizontal position by water pressure when the snort head is lowered.

Soviet submarines are known to snort both by day and night. Continuous periscope or radar watch does not

always appear to be maintained while snorting.

Available intelligence indicates that Soviet submarines maintain continuous hydrophone watch while dived, and employ sonar for distinguishing their own submarines when operating in groups.

Soviet submarines have been observed firing salvos of up to four torpedoes.

References in the Soviet naval press to the recent exploits of Soviet submarines continue to be frequent. Although they are of interest in that they emphasise the determination of the Soviet naval command to build up the already high morale of their submarine arm and to impress the Soviet Navy in general with the importance of submarine operations, very few of the articles contain matters of intelligence interest and the majority consist almost exclusively of somewhat naive exhortations and descriptions of the heroism of Soviet submariners in battling against the elements.

British and German professional opinion on the performance of Soviet submarines in the Second World War was in agreement that in matters of discipline, toughness and disregard for danger, the Russian submarine personnel emerged with credit. As regards operational planning, training, technical performance and concrete results, the picture was much less favourable; and in all these fields it is certain that both the Western Allies and the Germans had nothing to learn from the Russians.

There is, however, no reason to suppose that the experience of the Second World War is any guide to the present efficiency of the Soviet Submarine Service. Modern tactics and methods combined with intensive sea training in new-construction submarines cannot fail to result in enhancing the efficiency of the Soviet Navy's rapidly expanding underwater fleet.

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THE CYPRUS ISSUE.

The failure of Britain, Greece and Turkey to agree on the future of Cyprus at a conference in London in September has posed a difficult and delicate problem.

Britain has offered a measure of home rule to the 400,000 Greeks and 100,000 Turks in Cyprus, but has refused, however, to offer "self-determination" to the islanders at some fixed date, as Greece has demanded. Britain will retain indefinite control for obvious strategic reasons.

Greece, who has become emotionally aroused over the Greek Cypriots' desire for union with Greece, is bitterly disappointed by the lack of enthusiasm for her proposals at the Conference.

Turkey, on the other hand, is pleased at the outcome of the talks. She has achieved her main aim - to resist the idea of any change in the status quo that would weaken the British hold on Cyprus and thereby increase Greek influence. The Turkish delegation flatly refused to countenance "self-determination" for Cyprus, some of the Turks saying privately that a left-wing or Communist Greek Government in Cyprus would turn it into a "dagger pointed at their heart". (Cyprus lies only forty miles off the Turkish mainland opposite the approaches to the naval port of Iskenderun). Moreover, the Turks declared that Turkey would demand equal political rights for the 400,000 Greeks and 100,000 Turks. Since Cyprus is a "geographical extension" of the Anatolian Peninsula, Turkey would claim Cyprus herself before allowing Greece to acquire it, the Turkish delegates added.

During the talks Britain did not claim that Cyprus was strictly a "domestic" issue, but agreed to the rights of Turkey and Greece to be consulted as to the future of the island. Instead of merely being a party

to the debate, Britain actually occupied the position of mediator between the Turks and Greeks who were diametrically opposed on most matters.

The British control of Cyprus dates from 1878, when Turkey granted Britain the right to administer the island. In 1923 Cyprus was ceded outright to Britain by Turkey under the Treaty of Lausanne - to which Greece was a signatory. The British legal right to Cyprus is not questioned by Greece or Turkey. Both agree that Britain should continue to have military control over the area. Since evacuating the Suez Canal Base last year, Britain has commenced spending £40,000,000 to develop Cyprus as an air-land base. The island is now the only remaining territory in the Middle East completely under British control.

British rule in Cyprus has brought many economic benefits to the islanders. The Cypriots are full British subjects, entitled to enter and leave the British Isles freely and to enjoy the legal, social, medical and cultural benefits of British subjects anywhere.

Since World War II Britain has offered the people of Cyprus two constitutions, both of which were rejected. The British Government is now prepared to offer the Cypriots a constitution which would set up an Assembly with an elected majority, an executive group composed of Cypriots with government portfolios (a proportional share to be reserved for the Turkish minority), and a Cypriot "chief minister". All Government departments, except foreign affairs, defence and public security, would be progressively transferred to Cypriot Ministers. The British Government has also offered to set up a three-power committee to examine the detailed aspects of the constitution, and to discuss problems arising out of self-government.

The Greek reaction to these proposals has been cool, although the Greek Government has promised to

"study" them before giving its reply.

At the London Conference the Greek Foreign Minister stated that his Government was not seeking union of Cyprus with Greece, but was merely acting as the interpreter of the aspirations of the Cypriots. He claimed that Greece would accept whatever decision the Cypriots made about their future status. The Greek Government, he said, recognised that, before self-determination could be granted, a reasonable period of self-government in Cyprus was necessary. He continued that if Greece won her case she would not only guarantee a base in Cyprus to the United Kingdom, but would be prepared to make bases on the Greek mainland available to British forces within the framework of the defence policies of the Western powers.

The Greek Cypriots are led by the towering, black-bearded Archbishop Makarios, whose position as an "ethnarch" gives him an historic religious-political leadership of his flock. The Greeks in Cyprus claim that they are weary of asking for self-determination and, at the instigation of Makarios, have turned to violence to get it.

To stem the outbreaks of violence in Cyprus, the British Government has sent troop reinforcements, coastal patrol craft and additional arms to the island. On 26th September Field-Marshal Sir John Harding was appointed Governor and Commander-in-Chief, Cyprus, in view of the desirability of having a Governor with a military background. The use of force by the British troops in putting down the many anti-British riots and other disturbances has been kept to a necessary minimum, and the troops and police have used commendable restraint in their handling of rioters.

The gravest fear, however, has been that the hitherto peaceful Greek and Turkish communities in Cyprus would start to fight each other, and that further Greek-Turkish tension would result, thus splitting

the N.A.T.O. and Balkan Pacts in the Eastern Mediterranean. Following anti-Greek riots in Turkey in August and September, the Greek Government withdrew her forces from the recent N.A.T.O. Mediterranean exercises "because of the presence of Turkish forces". By the end of October, however, the tension had eased somewhat, and Greece is planning to resume her part in N.A.T.O. manoeuvres. In the long term, it would be unlikely that Greece would jeopardise her position in N.A.T.O., which gives her blanket protection against Communist attack, purely because of her attitude towards the controversial Cyprus issue.

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THE CELEBES TODAY.

The Celebes are now called Sulawesi. As an estimate only, the population amounts to nearly seven millions. The chief concentration of population is in the South-West, where the people are Muslims, divided into two sects - the Buginese and the Makassaran. The next chief concentration of population is in the North-East around Manado and Minahassa, where the people are mainly Christians. They are fairer, taller and more Chinese-looking than the average Indonesian. In the central area of Sulawesi the chief element is the Toradja. They are rather squat in appearance, probably with a heavier imprint of the aborigine, and until a generation or so ago were practising cannibalism. To-day they are mostly Christians belonging to evangelical sects.

Apart from a few old trading posts like Makassar, Sulawesi was, contrary to general belief, not brought under effective Dutch occupation until after the First World War and then mostly under indirect rule.

Today, the Indonesian Government's authority over Sulawesi is confined to Makassar (population 320,000), Manado (60,000) and about ten small coastal ports.

Elsewhere rebels of one kind or another are in control, the most notable being Kahar Muzakan, who has a large number of armed supporters.

The Indonesian army units in Sulawesi, under the command of Lieutenant-Colonel Warouw, number about 20,000 regulars, with perhaps another 3,000 short-term or temporary auxiliaries. Taking into consideration the state of the roads and the Army's equipment both as regards vehicles and weapons, it cannot possibly dominate a population of seven million people spread out over an area of 73,000 square miles, and the combined rebel and bandit forces must outnumber it by three to one. To some extent, the Army troops are unreliable and apparently cases are on record where members of the Army have supplied arms to the rebels. The remainder of the rebels' arms appear to be obtained by gun-running from the Philippines.

As throughout Indonesia, such governing as exists in Sulawesi to-day is marked by incompetence and corruption. Full play for this is found in the maze of permits and licences required for the simplest things. The system of permits and licences was set up by the Sastroamidjojo Government despite the lack of administrative machinery, of administrative practice, and even of necessary intelligence, for carrying out the system. The slouching guards at the wharf gates in Makassar often cannot read, but they are posted there as the first group in the bureaucracy which exists to check exit permits, entrance permits, customs permits, security permits, currency permits, etc. They treat their position as one for extorting bribes from all and sundry in the shape of cigarettes or money.

Screening for loyalty or security has become a big occasion for corruption just as it has become the biggest single humiliation for Europeans and other foreigners at Makassar. Numerous forms have to be filled in and photographs submitted. Europeans of indubitable standing and women and children are made to spend hours in queues trying to get the semi-literate, half-coolie, half-clerk type who fixes this or that stamp on this or

that paper. Screening is required not only for entering or leaving Indonesia but also from one place, such as Makassar, to another inside Indonesia. It is trying enough for Europeans; for the Chinese it has become an occasion for gross extortion.

Travel into the interior necessitates Army protection in the form of convoys, but this is a risky undertaking even on such short journeys as from Makassar to the airport, 12 miles distant. Pirates infest the offshore islands, including those lying within sight of Makassar.

The economic situation in Makassar, as in the Celebes as a whole, has naturally been affected by the break-down of law and order. During the past year imports and exports are stated to have declined by more than 30 per cent. A good part of the imports find their way to the rebel areas, including the rebel forces.

The outstanding impression of Sulawesi in particular (and Indonesia in general) is that, in spite of some appearances to the contrary, no one is in real control in any sphere. In the Makassar schools, for instance, there have recently been cases of teachers being beaten up because they gave marks below "Pass". Again, the Makassar waterfront has become a place for thuggery. Ships' Officers have been assaulted and shipping agents beaten by gangs of workers. Altogether an unhappy picture!

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SECRET

Transit List

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

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