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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. MELBOURNE.

During her passage to Sydney from Portsmouth in March and April, MELBOURNE will call at Naples (22nd to 25th March) and Malta (26th and 27th March). The carrier paid an informal visit to Le Havre, France, between 21st and 23rd January, after completing her flying trials in the Channel; on her return to Portsmouth she was visited by H.R.H. the Duke of Edinburgh on 24th January.

H.M.A.S. TOBRUK.

TOBRUK spent her Christmas leave period in Penang Harbour and a number of the ship's company took the opportunity to tour the island. The roads around the perimeter of the island are very good, but access to the top of the mountain can only be gained by a cable railway. This railway stops operating at 2100 daily unless an opening fee of 25 Malayan dollars (\$3/10/-) is paid. There are, nevertheless, a few people who prefer to suffer this inconvenience in order to live in a climate 15° cooler than in the city.

At present the local bandits, who number between 40 and 50, are fairly inactive and generally limit their activities to the distribution of subversive literature; they occasionally become more daring, however, and decrease the population by two or three members.

During TOBRUK's stay at Penang (21st to 27th December) the climate was close to perfect - warm and sunny and free from rain, and the local population proved extremely friendly and hospitable towards Australians.

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Approximately 1,100 Australian Army personnel are stationed at Penang and are accommodated at Minden Barracks to the south of Georgetown.

H.M.A.S. COOTAMUNDRA.

During her January cruise in the islands area, COOTAMUNDRA provided assistance to the trawler "NIVANI" which ran aground on a reef off Sohano, Bougainville, on 14th January, and was successful in refloating her on the following day. COOTAMUNDRA's cruise included visits to Bougainville, New Ireland and New Britain.

H.M.S. TACTICIAN.

After five and a half years' service with the R.A.N., TACTICIAN sailed from Sydney on 20th January for Portsmouth, where she is due to arrive on 16th March. She is to be relieved by H.M.S. AUROCHS who is to arrive at Singapore in March to take part in exercises before undergoing a refit in April.

Apprentices' Training School.

H.M.A.S. NIRIMBA, the R.A.N. Air Station at Schofields, N.S.W., which had been reduced to care-and-maintenance status in 1955, was commissioned on 5th January as an R.A.N. Apprentices' Training Establishment. The Commanding Officer is Captain (E) F.L. George, R.A.N., who recently returned from the United Kingdom after spending eight months visiting and studying Royal Naval Apprentices' Training Establishments. The Executive Officer of NIRIMBA is Lieutenant-Commander E.F.S. Nutt, R.A.N.

R.A.N. Participation in Sydney-Hobart Yacht Race.

The eleventh Sydney-Hobart Yacht Race, one of the three most important ocean-sailing races in the world, started from Sydney Harbour on 26th December, 1955.

The race was started by the Flag Officer-in-Charge, East Australian Area, Rear-Admiral H.J. Buchanan, C.B.E., D.S.O., who was embarked in H.M.A.S. AIR TRAIL.

Many thousands of people lined the shores from Bradley's Head to Middle Head, on North Head and from South Head to Point Piper to see the seventeen yachts start from a line between Clarke Island and Point Piper. A radio relay vessel, LAURIANA, accompanied the race.

From a naval point of view the main interest was the participation of the R.A.N. College's 34-foot sloop, TAM O'SHANTER. In the previous race, TAM O'SHANTER had been skippered by Commander R.J. Robertson, D.S.C., R.A.N.; on this occasion she was skippered for her second ocean race by Commander G. V. Gladstone, D.S.C., R.A.N., who recently assumed command of the R.A.N. College.

The yachts made a fine sight as they moved up the harbour in bright sunshine to the Heads, surrounded by scores of small craft. Taking part were the following craft :-

Name	Type	Skipper	State
KURREWA IV	64 ft.cutter	F.Livingstone	Vic.
EVEN	59 ft.cutter	F.Palmer	N.S.W.
DEFLIANCE	50 ft.cutter	N.Rundle	N.S.W.
SOLO	57 ft.cutter	V.Meyer	N.S.W.
WINSTON			
CHURCHILL	52 ft.cutter	A.Warner	Vic.
NELL GWYNNE	42 ft.cutter	F.Hickman	Tas.
SOUTHERN			
MYTH	41 ft.sloop	N.Howard	S.A.
WANDERER	46 ft.schooner	E.Massey	Tas.
TRADE WINDS	45 ft.cutter	M.Davey	N.S.W.
CAROL J.	40 ft.sloop	J.Halliday	N.S.W.
LASS O'LUSS	41 ft.cutter	J.Colquhoun	N.S.W.
JANZON	42 ft.sloop	R.Slade	N.S.W.
COOROYBA	35 ft.sloop	C.Haselgrove	S.A.

FANTASY	33 ft.sloop	D.Burridge	Tas,
MOONBI	34 ft.yawl	H.Evans	N.S.W.
PATIENCE	35 ft.sloop	A.Wilson	N.S.W.
TAM		Cdr. G.V.	
O'SHANTER	34 ft.sloop	Gladstone	Vic.

Much preparatory work was carried out on the boats during the preceding night and on the morning of the race, as the 680-mile race is renowned as a gruelling test of seamanship and endurance. TAM O'SHANTER was secured at H.M.A.S. RUSHCUTTER during her week in Sydney before the race, and that establishment rendered all assistance possible in preparing the sloop for the voyage.

Once out to sea, the various skippers followed the courses they thought best for the run; some remained a few miles off the coast, while others kept 20 miles or more to seaward. TAM O'SHANTER kept well out, as she had done in the previous race.

By the forenoon of 29th December the steel cutter SOLO, which had already won races at Broken Bay, Bird Island and Lion Island this season, was doing very well but was seven miles astern of the three leaders, EVEN, KURREWA IV and WINSTON CHURCHILL. On the following day, however, the yawl MOONBI had unexpectedly taken the lead after six larger yachts ahead of her on the seaward side (KURREWA, TRADE WINDS, WINSTON CHURCHILL, EVEN, SOLO and JANZON) had become becalmed. No word had been heard of TAM O'SHANTER's progress up to this time. The Fleet (Direction) Officer, Lieutenant-Commander N.H.S. White, R.A.N., was navigating MOONBI and had a most successful week-end, as MOONBI won the race and Lieutenant-Commander White was promoted to Commander R.A.N., on the same night. MOONBI's official time for the race was 3 days 9 hours 21 minutes 3 seconds.

TAM O'SHANTER arrived in Hobart at 1600 on New Year's Day and was placed 13th on handicap.

French Navy Training Cruise.

The French training cruiser JEANNE D'ARC (6,500 tons) and the training frigate LA GRANDIERE (1,969 tons) will be visiting Australia during February and will call at Melbourne (13th to 20th February) and Sydney (22nd to 27th February). JEANNE D'ARC has 156 student officers (Acting Sub-Lieutenants) embarked and LA GRANDIERE has 28. Two of these student officers are from Vietnam and one is from Libya.

Visit of French Sloop to Port Moresby.

While en route from New Caledonia to Saigon, the French sloop FRANCIS GARNIER visited Port Moresby between 9th and 13th January, and Yule Island on 15th and 16th January. At Yule Island FRANCIS GARNIER's personnel paid their respects to the grave of a French World War I air acc. (The opportunity is taken to visit Yule Island whenever a French naval vessel is in the area).

FRANCIS GARNIER is returning to Saigon after "showing the flag" in the French South Pacific possessions. Her ship's company of eight officers, 38 petty officers and 120 ratings, under the command of Capitaine de Fregate Brunel, have been away from France for almost three years.

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(b) ROYAL CANADIAN NAVY.

Operational Evaluation Organisation (OPVAL).

An operational evaluation organisation (OPVAL) has been established in the R.C.N. to conduct operational tests on equipment in fleet units, aircraft and fleet establishments. Its functions include the co-ordination of the installation of equipment to be evaluated, the analysis of all data obtained during the evaluation, and the preparation of reports concerning the projects.

The method of providing a project officer for each project depends largely on the type of equipment to be evaluated. In some cases the responsibility for the evaluation will be assigned to an officer in the ship or squadron in which the equipment is fitted; in other cases the officer assigned to these duties may be taken from a shore-based staff.

The types of evaluation are as follows :-

- (a) Operational Evaluation - the test and analysis of an item or system in order to determine whether quantity production and procurement is warranted, considering
 - (i) the increase in military effectiveness to be gained, and
 - (ii) its effectiveness as compared with currently available items or systems.
- (b) Technical Evaluation - the study and investigation by a research and development authority to determine the technical suitability of material or systems for use in the navy.

To co-ordinate the activities of OPVAL, an Operational Project Committee (OEPC) has been established at Naval Headquarters. OEPC's functions are to screen each project, to determine the requirements for an evaluation, to ensure that financial arrangements have been made, to ascertain the availability of and to arrange for the necessary services, and to allocate a priority for the project. The OEPC will also co-ordinate all matters connected with a project requiring Naval Headquarters decision or assistance.

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S E C T I O N I I .NAVAL AND OTHER ARMED FORCES INTELLIGENCEINCLUDING TECHNICAL INTELLIGENCE.JAPAN.Return of Former Naval Academy Buildings to Japanese.

All buildings of the former Imperial Japanese Naval Academy at Etajima have been returned to the Japanese Government by the U.S. Navy.

These buildings will be used as a combined torpedo and gunnery school by the Maritime Self-Defence Force for the training of officers, below long-course specialisation, and of all ratings.

The training of cadets for the Maritime Self-Defence Force will continue at the Self-Defence Force Academy at Taura.

Progress of Naval Shipbuilding Programme.

The 1953/54 Budget authorised the building of the following ships :-

Destroyer Escorts	2
Frigates	3
Cable Layers	1
Minesweeper/Minelayer	1
Minesweepers (Large)	3
Minesweepers (Small)	3
Submarine Chasers	8
Patrol Boats Type 'C' (60 tons)	9

Of the two destroyers escorts YUKIKAZE was launched at Kobe on 20th August, 1955, and HARUKAZE was launched Nagasaki on 20th September, 1955. They should be com-

pleted within the next few months. Each will have a complement of 190 and will be armed with three 5-inch and two twin 40 m.m. guns, 8K guns and 2 hedgehogs. SONAR will be fitted.

The three 1,000-ton Frigates, AKIBONA, INAZUMA and IKUZUCHI built by Kawasaki (Kobe) Ishikiwajima (Tokyo) and Mitsui (Okayama) have been launched and are due for completion early this year. Their complements will be 145 and their armament will be two 3-inch A.A. guns and two twin 40 m.m., 8K guns, Hedgehog and two depth-charge rails. They will be equipped with SONAR.

The Cable Layer TZUGARU (950-tons) built by Mitsubishi (Yokohama) and launched in July, 1955, was handed over to the Maritime Self-Defence Force on 16th December, 1955, and the Minesweeper/Layer ARIMA (630-tons), launched in July, 1955, was handed over on 27th December, 1955. TZUGARU's complement is 85 and she is armed with one 3-inch A.A. gun and two 20 m.m. machine-guns. ARIMA has a complement of 74 and is armed with two twin 40 m.m. and two 20 m.m., two K guns and SONAR. The three minesweepers (large) have been laid down but have not yet been launched.

The small minesweepers, submarine-chasers and the Type C patrol boats were transferred to the 1954/55 budget programme and seven of the submarine-chasers were laid down in December, 1955. The eighth submarine-chaser and the three small minesweepers will be laid down in March.

Two patrol boats of a larger type (110-tons) will also be laid down in March.

Two patrol boats Type C (60-tons) have been launched but not yet delivered to the Maritime Self-Defence Force.

Additional to these ships, the Japanese have decided to build four more 1,600-ton destroyer escorts of the YUKIKAZE/HARUKAZE class and contracts have already been let.

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S E C R E T

COMMUNIST CHINA.L.C.I's Fitted as Minelayers and A/A Ships.

Two Chinese Communist L.C.I's have been observed in Shanghai fitted with a minelaying port aft and with light rails protruding over the stern on a curved metal framework. This is the first time L.C.I's so fitted have been observed.

Another L.C.I. sighted in Shanghai appeared to be fitted as an A.A. ship with the following armament:-

For'd fo'c'stle - One probable 45 m.m. twin mounting with a possible gyro(?) gun sight mounted abaft but higher.

For'd on centre castle - One probable 25 m.m. either side.

Aft on centre castle - One probable 25 m.m. either side.

Aft on quarter deck - One probable 25 m.m. either side.

Abreast the bridge - Two probable 12.7 m.m. either side.

No armament was fitted in the well deck.

Report of Flying Boats at Tsingtao.

Three large twin-engined flying boats have been seen on various occasions recently at Yunnishan Isthmus, Tsingtao.

It is thought that the planes sighted may be Soviet-built maritime long-range reconnaissance aircraft.

Morale and Appearance of Chinese Communist Navy Personnel and Units.

It is generally accepted that the moral of officers and men of the Chinese Communist Navy is excellent and that their appearance is always smart, as are their operational ships; confirmation of this has been received in a report by a ship's Master who recently visited Shanghai.

He was impressed with the general bearing of all Chinese Communist naval personnel seen. A number of ships' companies from three Kaiboken II's were observed marching up and down No.3 Pier. They were clean and smart in their person and uniform; the only shoddy item appeared to be their boots. All ships seen seemed to be kept very clean, smart, and in a seamanlike manner. Those seen underway were handled competently.

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NORTH VIETNAM.Naval Commands and Organisation.

It is reported that the coastline of the Democratic Republic of Vietnam north of the 17th parallel has been divided into five naval command areas extending from Port Wallut (21° 11' N - 107° 32' E) to Dong Hoi (17° 29' N - 106° 36' E). Headquarters of these five areas are situated at Port Wallut, Hongay, Cac Ba (on the Ile de la Cac Ba), Sam Son and Dong Hoi.

There is a strong reason to believe that Cac Ba will become the main Vietminh naval base.

Naval training schools are being set up at Campha (21° 01' N - 107° 21' E) and Vinh (18° 40' N - 105° 38' E) and are reported to be under the direction of Chinese Naval Officers.

The 14 M.L's reported in Haiphong up to August, 1955, are now believed to be based on one of the five Naval Command areas - probably at Cac Ba.

SOUTH VIETNAM.

Transfer of French Survey Vessel to Vietnamese Navy.

The French Government has transferred the Survey Vessel INGENIEUR-EN-CHEF GIROD to the Vietnamese Navy.

This ship, which is of 950 tons displacement, is an ex-U.S. Vessel. She has been in Indo-China waters since 1949 and was recently employed on surveys for the New Cambodian port under construction in the Bay of Kompong Song.

One French hydrographic expert will remain to continue the direction of hydrographic missions and to train Vietnamese.

Withdrawal of French Forces.

A large number of French Expeditionary Force units are scheduled to withdraw from Indo-China during January and early February and it is expected that by the end of February or early March the French Expeditionary Force will cease to exist as such.

There will probably be only a Military Mission left to wind up French Military affairs and to support the International Commission.

Naval air strength has already been reduced to 6 Privateers, 1 Dakota, 4 Moranes and 12 Grumman Goose following the withdrawal of the carrier BOIS BELLEAU with a full complement of aircraft.

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INDONESIA.Egyptian Military Attache.

When the Egyptian Armed Forces Mission left Indonesia in November after a three weeks visit, one of its members, Colonel Ahmed Lotfy Metwally, remained in Djakarta as Military Attache.

He is the first Military Attache from Egypt to be appointed to Indonesia, and he is accredited to the three Services.

Construction of Naval Vessels in Italy.

It has been reported from Italy that work has been resumed on the two frigates and two corvettes being constructed in Italy on Indonesian account.

Work on the vessels ceased in October owing to the failure of the Indonesians to meet instalment payments.

Visit of Indonesian Chief of Naval Staff to Sweden.

The Indonesian Chief of Naval Staff, Vice-Admiral Subijakto, has arrived in the United Kingdom after visiting Sweden, where he is believed to have discussed the possibility of Sweden building warships for Indonesia and training her officers, and the purchase of arms.

Sweden appears to have been reluctant to meet these requests owing to doubts of Indonesia's ability to pay or to resist Communism.

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PAKISTAN.United States Military Aid.

Over 800 officers and men of Pakistan's armed forces

will receive training under the expanded United States military aid programme. This information was released to the press by Admiral Radford, Chairman of the U.S.S. Joint Chiefs of Staff Committee, who visited Pakistan during the latter part of December.

* * * * *

U.S.A.

New Class of Destroyers.

U.S.S. FORREST SHERMAN, which was commissioned in November, is the first of a class of eleven vessels designed to replace the Gearing Class of the Second World War. She is slightly larger than destroyers of the Gearing Class, with more powerful engines and more modern armament. The ship will carry three five-inch guns, one set of torpedo tubes, and three-inch anti-aircraft guns. Her dimensions are : length, 418 feet; extreme beam 45 feet, and light displacement of 2,650 tons.

The new class is being built as a prototype for a destroyer which can be constructed rapidly and in quantity, should the necessity arise. The Sherman Class will help to combat the threat of block obsolescence facing the U.S. Navy's destroyer fleet, most of which was built during World War II.

New Class of Ammunition Ship.

U.S.S. SURIBACHI the first of a new line of ammunition ships has been launched at Baltimore. The SURIBACHI represents the most recent development in ships designed to conduct rapid replenishment-at-sea operations of ammunition and explosives. Elevators are incorporated in the stowage hold for handling ammunition, and ships may be serviced along both sides of the SURIBACHI simultaneously. Air conditioning, redesigned crew

quarters, and additional crew facilities are a few of the habitability features incorporated into the design of the ship.

The new ammunition ships are named after volcanoes. The SURIBACHI bears the name of the famous peak on Iwo Jima.

The SURIBACHI has an over-all length of 512 feet and a beam of 72 feet. She has a light displacement of 7,500 tons with a cargo capacity of 7,500 tons. Steam turbine propelled, she is equipped with one screw. She carries a complement of 20 officers and 330 enlisted men, and is armed with four 3"/50 twin mounts.

Conversion of Submarine to Guided-Missile Submarine.

The U.S. submarine BARBERO is being converted from a cargo submarine to an experimental guided-missile submarine.

FRANCE.

U.S.-Built Large Wooden Ocean Minesweepers.

The following are the particulars of a class of large wooden Ocean Minesweepers built by the United States, six of which have already been commissioned in the French Navy and six more of which are still under construction for French orders. The vessels are equipped with non-magnetic engine and equipment.

Full-load displacement	- 790 tons
Length overall	- 273 feet
Beam	- 35 feet
Draught	- 12 feet 6 inches
Speed	- 14 knots
Endurance	- 2,400 miles at 12 knots
Complement	- 72 officers and men
Armament	- One 40 m.m.
Radar	- Surface Search U.S. AN/SPS - 5.
Sweeps	- Moored, magnetic & acoustic.

S E C T I O N I I I .EXTERNAL POLITICAL, POLITICO - MILITARY,
AND ECONOMIC INTELLIGENCE.JAPAN.Aircraft Industry.

The first jet aircraft made entirely in Japan underwent successful test flights on 22nd January.

Details of the aircraft are not yet available, but it is believed to have been powered by a turbo-jet known as the JO-1, which was successfully tested in the Omuja plant of the Japan Jet Engine Company in November, 1955.

Production of this engine has cost the Japanese Government £A76,000 in subsidies since experiments began in April, 1952.

Mitsubishi Aircraft Company is scheduled to begin assembly of seventy F-86 Sabre Jets under an agreement signed with the North American Aircraft Corporation.

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SOUTH KOREA.Disputes over Fishing Rights.

South Korea's insistence on the observance of the Rhee Line as the limit of her territorial waters for fishing purposes, which has involved her in a dispute with Japan (see A.S.I.S.No.37), has now involved her in an incident with fishermen from Communist China.

On Christmas morning a South Korean Coastguard cutter intercepted about 14 Chinese Communist fishing

vessels off the South Korean coast apparently fishing within the Rhee Line. The cutter captured one vessel and four South Korean Coastguards were placed on board the prize which was taken in tow.

Shortly afterwards six armed Chinese Communist vessels appeared on the scene and opened fire on the South Korean cutter, which returned the fire. The Chinese vessels later left the scene, taking with them the captured Chinese vessels and the four coastguardmen who had been placed on board.

The South Korean Government expressed its indignation over the incident but was unsuccessful in its attempts to enlist Allied support to take counter-measures.

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COMMUNIST CHINA.

Organisation of River Junks into Co-operatives.

According to an article published in the Japanese "Shipping and Trade News" of December, 1955, Communist China's 294,000 river junks are being organised by the Government into "mutual aid and co-operative organisations".

The report emphasises that the organisation of the boatmen is on a voluntary basis entirely, but adds that 94% of the junks in the Szechwan area have signed up. Boatmen in Kiangsi, Anhwei, Hunan, Kwangtung, Kiangsu, Shantung, Kansu, and other provinces are also joining these transport co-operatives. Manpower, techniques and finances can be pooled under this scheme.

Freight transport charges will be Government-controlled and boatmen will receive dividends on the value of their junks, plus payment for work done.

The report adds that junks in China still play a

highly important part in river transport. They have a total freight capacity of over 3 million tons and account for 85% of the country's total river transport.

Trade Agreement with Poland.

Poland and Communist China have concluded a Trade Agreement whereunder Poland will supply Communist China with machinery and manufactured goods in exchange for iron, non-ferrous metals, tea and rice.

This should help to bridge the gap caused by restrictions on normal trade between China and Japan.

China-Burma Air Agreement.

An Air Transport Agreement between Burma and Communist China has been signed. The agreement provides for the establishment of scheduled air services by each country on the following routes :-

For Burma: Rangoon - Mandalay - Kunming - Canton

For China: Kunming - Mandalay - Rangoon.

Services are not to exceed two flights each way per week and the agreement covers the carriage of passengers, baggage, cargo and mail.

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NORTH VIETNAM.

Vietnam Air Transport.

The Vietminh authorities informed the International Commission that as from 1st January they would supply all the Commission's air transport needs in north Vietnam. Members of the Commission did not appear to relish the prospect!

In the past French aircraft have been used but it is believed that they will be replaced by Soviet aircraft manned by Vietminh crews.

Reports have been received in the past of Vietminh personnel undergoing flying training in Communist China and this announcement by the Vietminh authorities may indicate the birth of the Vietminh Air Force as such.

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MALAYA.

Talks with Chin Peng.

The Chief Ministers of Malaya and Singapore (Rahman and Marshall) conferred with the leader of the Communist guerrillas, Chin Peng, at Baling on 28th-29th December.

Contrary to some newspaper reports, they adopted a firm stand with Chin Peng and refused to negotiate.

Although Rahman has expressed the hope that the Communists will confer with him again, he has terminated the amnesty in all forms, with effect from 8th February. Meanwhile Chin Peng has returned to his Siamese hideout, presumably to obtain further instructions from his masters.

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INDONESIA.

Political Situation.

A recent estimate of the political situation in Indonesia indicates that the Harahap caretaker Government will survive probably until March or April but only on the condition that President Sukarno tolerates it.

Sukarno, after what looked like a series of important set-backs between June and September, is now stronger than ever. Despite certain undertakings he gave to the present Government, he has been touring the country, ostensibly to unveil monuments to "heroes of the Revolution" and to give lectures on Indonesian history, but really to campaign against the Government. Stooping to all sorts of tricks to insinuate himself into the people's regard, he is completely ignoring the Constitution which obliges the President to be responsible to the Government for his public utterances.

Vice-President Hatta, broken in health and apparently in spirit, is no match for Sukarno.

On the question of the formation of a Government as the result of the national elections held last September, Sukarno seems to favour a government composed of P.N.I. and Nahdatul Ulama (Conservative Muslims) members, with or without Communist members in the Cabinet, but with Communist support and with the Masjumi in opposition.

Negotiations with the Netherlands.

Indonesian and Netherlands delegations have been negotiating, first at The Hague and later at Geneva, on the status of the Netherlands - Indonesian Union, the sovereignty of Netherlands New Guinea, and financial and economic agreements.

Negotiations broke down when the Indonesian Government recalled its delegation on 16th January. However, following the resignation (or threatened resignation) of four members of the Indonesian Government the instructions recalling the delegation were cancelled and the negotiations resumed.

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BURMA.Relations with Satellite Countries.

Burma is to exchange diplomatic representation with Poland and Bulgaria.

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PAKISTAN.Gwadar.

The Pakistani Prime Minister has sought United Kingdom support for Pakistan's request to the Sultan of Muscat that it be permitted to purchase Gwadar, a Muscati enclave on the Pakistan coast. If they fail to persuade the Sultan to sell, the Pakistanis threaten to put a customs cordon around the area.

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AFGHANISTAN.Visit of Soviet Leaders to Afghanistan.

Returning to Moscow from their visit to India and Burma, the Soviet leaders Marshal Bulganin and Khrushchev visited Afghanistan and here again they appear to have had another success.

They announced the granting of a long-term credit of £36 million to Afghanistan, the loan of more technicians, and plans for assistance in airfield construction at Kabul. They also gave support for the Afghan Prime Minister's policy of creating Pushtunistan out of the tribal area on either side of the Pakistan-Afghan frontier.

It is believed that partial re-equipment of the Afghan army has also been agreed upon, and it is obvious that the Russians have deliberately fostered the maximum of ill-will towards Pakistan.

As a counter to this, Pakistan has been sounding out Allied opinion on a U.K./U.S./Turkish approach to Afghanistan with the object of improving Afghan/Pakistani relations and as a means of arresting the tendency for Afghanistan to drift closer to the U.S.S.R.

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S E C T I O N I V .A U S T R A L I A S T A T I O N I N T E L L I G E N C E .C O C K B U R N S O U N D (W . A .) - P R O P O S E D R E P A I R A N D B U N K E R I N G P I E R .

The Fremantle Harbour Trust is at present assessing the requirement for a bunkering and repair pier proposed to be constructed in Cockburn Sound. It is believed that the site most likely to be used is immediately South of the Kwinana Refinery area (Chart Aus.077), where comparatively deep water is available close inshore.

From an engineering viewpoint, construction of such a jetty berth would present little difficulty.

Berthing space in Fremantle Harbour is extremely limited and numerous instances have occurred where vessels under repair at harbour berths have prevented the normal working of other ships.

P O R T H E D L A N D - W A T E R S U P P L Y .

Consequent on the completion of the Turner River scheme, supply of fresh water is now available at Port Hedland. Normally about 66,000 gallons daily are available, town consumption being 40,000 gallons leaving 26,000 gallons storage. This quantity is subject to conditions at the Turner River source as, if favourable rains do not occur, supply would be restricted.

Two points are available on the Port Hedland jetty. The rate of supply ranges from three to five thousand gallons per hour depending on the height of the vessel alongside the jetty. It is desirable that 48 hours notice of ship's requirements be given to the District Engineer (P.W.D.) at Port Hedland.

Tests carried out by the W.A. Government Analyst indicate that the water is of extremely good quality

for boilers and general domestic use.

WHALING INDUSTRY.

Western Australia's whaling industry earned approximately £1,156,000 in the 1955 season. The 1,120 whales taken, produced an average return of £1,032 each. Shipments of oil were completed in November for a return of £106 per ton. Whale meal for stock fodder found a ready market at £48 per ton and dried whale solubles sold at £65 per ton. No baleen (whalebone) was exported this season although a market has been found for 377 tons in the previous year.

GLADSTONE - PORT DEVELOPMENT.

The concrete extension of 223 ft. to the Auckland Point Jetty is making slow progress and there is no confirmed completion date. Still in the planning stage is the proposal for an additional 250 ft. to be added to the available berthage.

In June, 1955, the Suction Dredge "ECHENEIS", normally based at Brisbane, dredged the Auckland Point Jetty from 21 ft. to 28 ft. L.W.O.S.T.

Further reclamation work is planned for the foreshore.

Under construction is an aerodrome near Brifney Creek, approximately four miles from Gladstone. There will be one runway 5,100 ft x 500 ft bearing 270° and which will be gravel-surfaced.

BUNDABERG - PORT DEVELOPMENT.

Plans are in hand to establish a new port (river port) at Bundaberg. It will be known as New Bundaberg and will be situated approximately three miles inside the mouth of the Burnett River and approximately eight

miles from Bundaberg. The plan is estimated to cost £1 $\frac{1}{2}$ million and preliminary dredging is about to commence.

In January, 1955, a preliminary investigation was made by the Queensland Department of Harbours and Marine, with a view to providing a port at the river entrance able to accommodate 'B' Class Coastal Vessels. During the intervening months a site at New Bundaberg was examined and borings were taken from the river heads to New Bundaberg in order to determine what dredging was necessary.

The proposed port will be constructed with correctly placed training walls and the depth of the channel will be 19 ft. L.W.O.S.T. The channel will be through sand and mud, and, for a short distance, through rock. The plans include the building of a new wharf fitted with equipment to handle bulk sugar.

PORT OF MELBOURNE.

Two new berths for discharging industrial coal at Appleton Dock are now nearing completion. Work carried out at this dock also provides for three berths for general cargo, three new cargo sheds, and further extensions to ensure eighteen berths in the area.

Elsewhere in the port a £200,000 wharf shed is nearing completion at Victoria Dock; work is progressing on a £500,000 mechanical steel-handling berth at South Wharf, where overhead cranes will be used to make this the port's steel discharging centre, thus releasing three other berths for general cargo; and a new £150,000 130 ft. pier at Port Melbourne to provide more berthing space for liners.

EAGLE FARM (BRISBANE) AERODROME.

Construction of the new 8,000 ft. by 200 ft. runway at Eagle Farm is proceeding satisfactorily. It is being constructed across a swamp at the eastern end of the air-

port and will comprise sand, coral and crushed rock to a depth of 2 ft.

The Department of Civil Aviation contemplates using 4,500 feet of this runway by May, 1956. The construction of the addition 3,500 feet will be restricted by the fact that it will be in close proximity to landing and departing aircraft.

To ensure speedy refuelling as a result of increased aviation services, the underground refuelling system will be installed at all major Queensland aerodromes. The installation at Eagle Farm is expected to be completed by June, 1956.

Qantas Empire Airways are seeking to re-establish an aircraft repair base at Eagle Farm for aircraft proceeding to New Guinea and South Pacific areas. This Company closed its workshops at Eagle Farm in 1953, prior to which time numbers of Australian and foreign aircraft were completely overhauled. Since 1953 this work has been handled in Sydney. It is considered that lack of suitable workshops at Eagle Farm may prevent the re-establishment of this additional facility.

SHIPBUILDING.

"LAKE BARRINE", a 10,000 tons bulk-cargo carrier being built by Evans Deakin & Co. Ltd., Brisbane, for the Australian Shipping Board, was launched on 16th December, and is expected to be ready for delivery by the first half of 1956. This ship will be the first of four 10,000-ton ships of the 'Lake' Class being built for the Board. The second, "LAKE COLAC", will be commenced on the launching of "LAKE BARRINE".

PORT OF GEELONG.

A Bill has been introduced in the Victorian Legislative Assembly, providing for the deepening of Geelong

Harbour from 30 feet to 34 feet.

The deepening of the harbour, which would enable the Shell Company to use larger tankers, is estimated to cost £2½ million and to take three years to complete.

TERRITORY OF PAPUA AND NEW GUINEA.

Madang.

Coastal craft from Dutch New Guinea are now being serviced at Madang by Madang Marine Workshops Limited.

The first of these craft was the 90-ton steel-constructed "CYCLOOF", which is employed by the Dutch New Guinea Administration for coastal feeder-services.

It is possible that this arrangement may be temporary only in view of the fact that slipways are being constructed at Hollandia and Manokwari.

Wewak.

Sufficient funds have now been allocated for the construction of a small craft and lighter jetty on the southern side of Wewak Point.

Before the jetty can be operational a passage will have to be blown in the reef and arrangements have been made for M.R. Hornibrook Pty.Ltd., to undertake this task.

A large aircraft hangar of steel construction has recently been completed at Boram.

DUTCH NEW GUINEA.

Mineral Resources.

Rich deposits of nickel and cobalt ores have been discovered in Netherlands New Guinea, according to a

report quoted by the Dutch newspaper "Haagsh Dagblad".

The paper says the report was made some time ago by the Netherlands New Guinea Commission. It disclosed that, in the most accessible part of the Cyclops Mountains, there were fifty-four million tons of ore containing nickel and cobalt. Some idea of the importance of this deposit can be gained from the fact that, while the total world production of nickel in 1955 would probably be 190,000 tons, the New Guinea ores could produce 607,000 tons annually.

On some islands off the coast of the Vogelkop (western New Guinea) there were nickel and cobalt ore deposits which are considered by experts to be possibly three to four times as large as those already found in the Cyclops Mountains. The Commission has apparently decided that the deposits discovered were so extensive that the erection of processing plant in New Guinea was well worthy of consideration. The investment required would amount to more than 100-million guilders. A big problem in the exploitation of these resources is the shortage of skilled labour.

SHIPPING INFORMATION.

British Phosphate Commission's new vessel TRIASTER.

The British Phosphate Commission's new vessel "TRIASTER" named after the original TRIASTER attacked by German raiders off Nauru in 1940, has arrived in Australian waters.

The new "TRIASTER" is of 9,993 tons gross and has a service speed of 15 knots. She is fitted with special mooring equipment and has large refrigeration space for the carriage of food and perishable cargo to Nauru.

Accommodation is available for 48 passengers - for the staff of the British Phosphate Commission and Government officials only.

N.Y.K. Line - New Vessels for Australian Trade.

The N.Y.K. Line have under construction for the Australian service three motor-ships aggregating 30,000 dead-weight tons.

These three vessels are being built in Yokohama, Nagasaki and Osaka. "SADO MARU" and "SATSUMA MARU" are sister ships, each having a speed of 20 knots. Although both vessels have deadweight tonnages of 11,000 and accommodation for 12 passengers, "SADO MARU" has a gross tonnage of 9,400 while the gross tonnage of the "SATSUMA MARU" is 9,250.

"MIKASA MARU", with a service speed of 12.5 knots is much smaller than the other two having a deadweight tonnage of 7,800 and a gross tonnage of 4,400. "MIKASA MARU", with accommodation for two passengers was launched in December, 1955 and carries 10,800 cubic metres of bale space. The "SADO MARU" and "SATSUMA MARU" to be launched this month will carry general and refrigerated cargo.

The three vessels will replace the four now conducting the N.Y.K. Line's service to Australia, "GINYO MARU", "EIFUKU MARU", "MANTETSU MARU III" and the "MANTETSU MARU V". The "MIKASA MARU" is scheduled for completion in March and the "SADO MARU" and "SATSUMA MARU" in May.

Sales of Australian Vessels.

The Holyman freighters "LANENA" (1,126 tons) and "LUTANA" (918 tons) have been sold to Philippine buyers, and the Adelaide Steamship Company's passenger ship "MOONITA" has been sold to Greek buyers and renamed "LYDIA".

The motor vessel "SWAN VALLEY" (ex CAITHNESS), 9,250 tons deadweight, built in 1935, and owned by Westralian Farmers Transport Ltd., London, has been sold to Hong Kong buyers for about £230,000. As "CAITHNESS", she realised

about \$465,000 in September, 1951. "SWAN RIVER", which these owners sold recently, was purchased by the Naviera Universo, S.A., Panama, R.P. She has been renamed "NIDO".

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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COMMUNIST STRATEGY AND TACTICS.General Communist Objective.

It may safely be assumed that the broad Communist objective has not changed, and that the extension of their power and influence by every possible means remains the goal. The policies of the Russian and the Chinese Communists are so closely dovetailed in practice that it is ^{un}necessary to determine whether Moscow is still the supreme authority in the Communist world or whether Peking has a separate, if subordinate, role. The Communist powers present every appearance of unity both ~~with~~ ⁱⁿ respect to strategy and tactics. The possibility that differences might in future develop cannot be entirely discounted, but there is no present indication that this will be so.

Communist Strategy.

In the past, the over-all strategy of the Communist parties has fluctuated between a 'hard' line involving open hostility towards non-Communist and anti-Communist elements and resort to violence and a 'soft' line involving co-operation with other groups, the use of conciliatory methods and the formal renunciation of violence. The distinction between them has never been absolute, and at times both lines have been concurrently employed. At some periods a 'hard' strategy has governed tactics in certain countries while in others a 'soft' strategy has been adopted. The choice of strategy and consequent

choice of tactics has been that deemed most expedient by the Communist leaders who have not hesitated to switch from one line of strategy to the other and back again to meet changing circumstances confronting them.

The Communist emphasis was on threat of force, and use of it in particular places, until shortly before the Korean armistice. In this period violent tactics were threatened or used, ranging from riots in France to war in Korea. However, the 'hard' policies adopted under Stalin evoked the creation of strong defensive systems against Communism. The aggressive methods used and their palpably unscrupulous nature also alienated many who might otherwise have been caught up by Communist doctrine. Although during this period Communist power was in large areas increased by violence and intimidation, this was offset in other areas by public hostility and distrust and, as a consequence, Communist parties throughout the free world lost public support. The 'hard' strategy had an additional and perhaps decisive disadvantage; confronted by the ability and declared intentions of the West to use atomic and later nuclear weapons against aggression, this strategy involved the risk of a global nuclear war and the industrial and military destruction of the Soviet Union.

United Front Tactics.

The free world is thus confronted with a Communist strategy which places emphasis on action in the political and cultural fields. A major feature of this programme is the united front tactic, whereby in any given country the local Communist party seeks to create alliances between itself and other political or social groupings, formulating a 'respectable' programme to achieve that end. In these instances the Communist objective is gradually to gain control of these alliances. Where as part of any coalition they succeed in participating in government their aim is to secure key portfolios. In the final

phase they seek to exclude all non-Communist elements from their alliances.

The united front technique involves :-

- (a) tactics of great flexibility designed in any country to win the widest support in all quarters, not excluding the "national bourgeoisie" ;
- (b) tactical concealment, in Communist propaganda directed to non-Communists, of the specific characteristics of Communism ;
- (c) the alignment of Communism with any cause whatsoever of temporary or tactical use to it.
- (d) the perfecting of local Communist party organisation.

Ample scope for these tactics exists in South and South East Asia, where anti-colonialism, 'imperialism' and neutralism are popular national themes which have been heavily exploited with varying but unmistakable degrees of success. This type of penetration is likely to remain a prominent feature of Communist policy.

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SOVIET POLICY IN THE MIDDLE EAST.

The following extracts have been taken from an article in "World Today", the monthly journal issued by the Royal Institute of International Affairs:-

"The Soviet political offensive in the Middle East may have taken some Western statesmen unawares, but it certainly did not come altogether suddenly and surprisingly: there had been many signs to foreshadow it. Some observers have noted, indeed, that the only remark-

able thing about the Soviet drive was that it came relatively late in the day: it might well have been launched in 1951-2, in the days of Musaddiq in Persia and the 'Black Saturday' in Egypt.

Soviet policies in the Middle East have been successful in recent months, and Soviet designs in that area are fairly transparent. Nevertheless, at least in the early days of the Soviet offensive, several conflicting interpretations were put forward by Western observers in explanation of its motives and background. It transpired only gradually that, far from removing the dangers of local wars, the Geneva conference of July 1955 had actually increased them. For once it became plain that a global war was ruled out by both sides, it became far less dangerous than before for interested parties to engage in local conflicts. The Communist leaders have apparently drawn the obvious conclusions from this new situation. But part of Western public opinion has continued to believe that the 'spirit of Geneva' meant that the Communist world had abandoned the idea of promoting Communism and Soviet interests by force outside the present frontiers.

Others argued that the recent Soviet moves in the Middle East had come merely as a reaction to Western defence schemes in that part of the world, that it was a defensive rather than an offensive action. It may be true that the establishment of the 'northern tier' hastened the Soviet drive in the Middle East, but it is extremely unlikely that Moscow would in any case have 'neglected' the Middle East in its global plans for much longer. If the Soviet arms supply to Egypt (through the agency of Czecho-Slovakia) and the other recent moves constituted a defensive action, it would seem to follow that the Soviet leaders might be ready to join the Western Powers in their endeavour to maintain peace and stability in the Middle East - to sign a declaration, for instance, guaranteeing the status quo. But such a hypothesis appears unrealistic; Soviet diplomats may of course prefer not to close altogether the door to

diplomatic negotiations with the West with a view to removing the 'northern tier' - while still maintaining the Soviet positions. Basically, however, Russia has nothing to gain and much to lose from the preservation of the status quo in the Middle East. The assistance to Egypt is given at present for the very same reason that Israel was supported in 1948: that it appears to be the factor most likely now to upset the political balance in the Middle East.

All signs point to the likelihood that the present Soviet offensive in the Middle East will be continued. Even if it should not come to a local war, Russia's alignment with Egypt, and to a lesser degree with Syria and Saudi Arabia, is highly important for Moscow because it may disrupt Western defence schemes. These pacts may be the prototype of a new form of alliance in specific Middle Eastern style. True, neither the local Communists nor the democratic liberal elements figure in this 'popular front' inspired from above. But the political effect may well be similar. When the European Socialist movements tried to counter Communist attempts to subvert their parties during the 'Popular Front' period they had at least some experience and an organisation to operate with. Middle Eastern leaders have neither the same experience of Communist theory and practice nor a political organisation to enable them to stand up to their present allies. What they have by way of ideological equipment is woefully insufficient to compete with the vast appeal of Communism in backward areas. The Egyptian leaders are beyond doubt perfectly honest in their protestations that they want Communist arms, not ideas. But the very idea that they will be able to get the one without the other points either to megalomania or to an extraordinary degree of naivete and lack of experience and political imagination - and perhaps to both. There are historical reasons for all this, and the U.S.S.R.'s policy has astutely exploited them. In its blueprints Egypt and

Syria have become the 'weakest link' in the non-Communist chain. It would be difficult to deny the validity of this assumption."

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THE BURAIMI OASIS.

Relations between the United Kingdom and Saudi Arabia continue to be strained as a result of the dispute regarding the claim of the Saudi Arabian Government for sovereignty over the oil-bearing region of the Buraimi Oasis in which the Saudi Arabian Government are apparently backing the American concern Aramco, while the United Kingdom Government is supporting the Iraq Petroleum Company to the extent that they claim that the region in dispute comes within the realm of the Ruler of Abu Dhabi and the Sultan of Muscat.

An arbitration tribunal, under the Presidency of M. Charles de Visschor, an eminent Belgian lawyer and a former Judge of the International Court of Justice, was set up at Geneva to consider the dispute. In the proceedings the United Kingdom's case was represented by Sir Reader Bullard, formerly U.K. Minister in Jedda and Ambassador in Teheran.

Sir Reader Bullard resigned his appointment when it became clear that the Saudi Arabian arbitrator, Sheik Yusuf Yasin, was still in the pay of the Saudi Arabian Government and had endeavoured to influence the testimony of a witness appearing on behalf of the Saudi Arabian Government, namely Abdullah al Quarishi. Later the President of the Arbitration Tribunal felt obliged to follow suit and he, too, tendered his resignation.

The main charges which the United Kingdom Government has levelled against the Saudi Arabian Government are that it had tried to overthrow the Sultan of Muscat by force, in favour of a Saudi Arabian nominee, and that it had engaged in a systematic policy of high-scale

bribery calculated to subvert the people in the disputed area from their allegiance to the Sultan of Muscat.

Evidence of an attempt by Saudi Arabia to promote a coup d'etat was given by Sheik Hazza, a brother of the Ruler of Abu Dhabi. This evidence showed that during 1954 the cadet-branch of the ruling family, which is not well disposed towards the present ruler, went to Saudi Arabia, where they were given a very large sum of money and facilities for obtaining arms. A similar attempt at bribery was made against two of the principal Sheiks of the Dhawahir tribe. They were approached by a Saudi Arabian partisan who offered them a monthly payment of 100,000 rupees each if they would turn away from Abu Dhabi and declare for Saudi Arabia.

The dispute in this important strategical area remains unsettled and the indications are that Saudi Arabia will continue to be a thorn in our side and will align herself with Egypt.

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THE PARACELS. (Hsi-sha Ch'un-tao).

Following a French naval report that seven Chinese Communists, dressed as fishermen, but suspected of being military personnel, landed on Woody Island last August, attention has once more focused on the Paracels (a desolate group of atolls) lying between latitudes $17^{\circ}08'$ N and $15^{\circ}46'$ N and longitudes $111^{\circ}11'$ E and $112^{\circ}54'$ E.

This island group, situated in the South China Sea 165 miles off the coast of Central Vietnam and 200 miles south-east of Hainan Island, was spotlighted by political "wangles" earlier in the century.

Ownership of the Paracels was, for many years, disputed by China, France and Japan, till Japanese claims were annihilated by the Cairo-Potsdam Declarations, and French interest was withdrawn after her Vietnam defeat

and subsequent evacuation from this part of the globe.

Though the Chinese Government annexed the Paracels in 1909 and placed them under the administration of the Kwantung Province, no attempt was made to colonise the islands till the end of 1946, when the Chinese sent a token naval occupationary force to Spratly, Pratas and the Paracel Islands.

Japan claimed she had 'discovered' the islands after a visit in 1917, and she proceeded to exploit the guano deposits there.

The French, meanwhile, motivated by Chinese and Japanese activity, claimed them on behalf of Annam (whose ownership, she alleged, dated from 1862). In 1937 an expeditionary force explored the group and erected a lighthouse on Pattle Island. The French were forced to withdraw, however, in the face of Chinese and Japanese protests, before the Japanese occupation of Hainan in 1939.

In 1946 a French naval vessel disputed the right of the Chinese to occupy Woody Island, but when the Chinese indicated that they were prepared to use force the French decided to land on Pattle Island. Here they subsequently stationed a Vietnamese garrison.

Between the time of the departure of the Vietnamese garrison and the alleged recent Communist landing there have been several reports of Chinese Communist activity, but aerial reconnaissance has found no evidence to substantiate them.

The attraction of these islands lies in their position, rather than in their composition.

Strategically located on the Hong Kong-Saigon - Singapore Shipping route, the Paracels consist of two

principal clusters - the Amphitrite and Crescent Groups, other islands and reefs lying to the South and South-East of these. The Amphitrite Group, located to the north-east of the area, consist of two portions separated from one another by a deep channel about four miles wide. The northern portion is made up of two reefs, separated from one another by the Zappe Pass. The main island here is Tree Island. Woody Island, in the southern portion, is the largest island in the Paracel Group, being one mile in length. The Crescent Group, so-called because the sandy islands and reefs have assumed a crescent-like form, are situated in the north-west part of the group and include six small islands, the chief of which is Pattle Island.

In the past the Paracels have been considered as a possible submarine and seaplane base. The Japanese early exploratory ventures and the French ineffectual effort to forestall them were inspired by this belief.

However, although during clear weather the islands are easily discernible and navigating among them free from hazards, in misty or poor weather navigation can be dangerous. Currents usually follow the direction of the wind during the monsoons, but in the interim between monsoons (that is, the light wind period) they are treacherous, frequently altering their direction.

Deep water is usually found off the seaward ends of the fringing coral, and anchorage can be obtained off most of the islands. Shelter, however, is only assured on the lee side of the islands.

The islands, for the most part, are low-lying, ranging from 10 to 50 feet in elevation, are wooded and are surrounded by beaches, the approaches of which are obstructed by coral reefs.

Two of the islands vary in character from the others in the group - one is Rocky Island, one of the smallest

and highest of the islands, which is devoid of beaches except for a minor one on the northern side, and the other is Triton Island, the most south-westerly point, which is characterised by an almost complete absence of vegetation.

The Paracels are a breeding ground for birds, and they are found here in great variety and number, providing the area with its sole product of economic value - guano deposits. The islands are devoid of minerals, and, although the soil is sandy, they are unsuited to agricultural production, only a limited variety of edible plants and wild fruits being found here. Consequently there is no indigenous population, although fishermen from Hainan are known to visit the islands and set up fishing posts and temporary settlements.

Pattle and Woody Islands are the only ones on which a garrison could be stationed, but it is believed that a large number of troops could not be maintained anywhere in the Paracels.

There appear to be only two buildings on Pattle Island and one on Robert Island. In addition there is a pier on the south-east side of the latter and one on the south-west coast of Woody Island.

It seems unlikely that the Communist Chinese would use this area as a base, considering its poor facilities and potentialities and the close proximity of a superior and established base at Hainan. However, the Paracels could prove a convenient dumping-ground for stockpiling, particularly now that the possibility of French air raids from the Vietnam mainland has been removed.

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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