

SECRET

# Australia Station Intelligence Summary



Mr. Blakeney *11/12/50*  
Mr. White *HW*

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SECTION I

R.A.N. MONTHLY NOTES - EXTRACTS FROM  
REPORTS OF PROCEEDINGS, ETC.

REVIEW OF PRINCIPAL NAVAL ACTIVITIES.

*H.M.A. SHIPS AUSTRALIA AND ANZAC.* - H.M.A.S. AUSTRALIA, accompanied by H.M.A.S. ANZAC, sailed from Sydney on 16th April for a six weeks' cruise in Queensland and Islands waters.

The programme includes visits to the Whitsunday Group, Palm Island, Cairns, Port Moresby, Manus, Rabaul, and Honiara. The ships are due to arrive at Sydney, on return, on 28th May.

*H.M.A. Ships DATAAF and WARRAMUNGA.* - H.M.A. Ships PATAAN and WARRAMUNGA have been engaged on patrol and other duties in Korean waters.

*H.M.A.S. TOBRUK* - During May H.M.A.S. TOBRUK carried out torpedo trials and exercises, in conjunction with naval aircraft, in Jervis Bay.

*H.M.A.S. SHOALHAVEN and H.M.S. TELEMACHUS.* - H.M.A.S. SHOALHAVEN carried out anti-submarine training with H.M.S. TELEMACHUS in the Sydney training area.

*H.M.S. THOROUGH.* - H.M.S. THOROUGH left Sydney on 25th April for exercises in New Zealand waters. She visited Auckland, Wellington, Lyttleton, and Dunedin.

*H.M.A. Ships WAGGA and COOTANUNDRA.* - H.M.A. Ships WAGGA and COOTANUNDRA have been carrying out minesweeping exercises in the Sydney training area.

*H.M.A. Ships CULGOA, COLAC and COWRA.* - H.M.A.S. CULGOA returned to Sydney on 6th May, and H.M.A. Ships COLAC and COWRA to Melbourne on 7th May, from their training cruise in New Zealand waters. On 12th May COLAC and COWRA sailed from Melbourne for Burnie and Devonport and returned on 16th May.

*H.M.A. Ships RESERVE, GLADSTONE and LATROBE.* - H.M.A. Ships RESERVE, GLADSTONE and LATROBE were ordered to the assistance of R.M.S. ORCADES which ran aground off Rosebud (Port Phillip Bay) on 7th May.

ORCADES was refloated on the same day and proceeded direct to Adelaide.

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A message from Captain Goldsworthy, Captain of ORCADES and Commodore of the Orient Line, reads as follows:-

"For the very material part which RESERVE, GLADSTONE and LATROBE played in assisting ORCADES, the Orient Company is most appreciative and grateful".

*Commissioning.* - H.M.A.S. HAWKESBURY commissioned at Sydney on 14th May. She will be employed on anti-submarine training duties, replacing DARCOO.

DARCOO will revert to surveying duties after a refit and re-conversion.

*R.A.N. Shipbuilding and Conversion* - An additional £6,000,577 has been authorised by the Cabinet Defence Preparations Committee for construction, modernisation and conversion of naval vessels, machinery, plant and ordnance stores.

*Naval Works.* . An authorisation by the Cabinet Defence Preparations Committee has been allocated for the following Naval Works programme:-

- (1) Construction of residences for Petty Officers and other ratings at Manus Island.
- (2) Accommodation at H.M.A.S. WATSON.
- (3) Fleet shore accommodation at Garden Island, Sydney.
- (4) Fleet shore accommodation at H.M.A.S. HARMAN, Canberra.
- (5) Construction of permanent barracks at H.M.A.S. LONSDALE.
- (6) Improvements in equipment.

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EXTRACTS FROM, OR SUMMARIES OF, REPORTS OF PROCEEDINGS.

*A full-Dress Occasion.* - The Commanding Officer, BATAAN, relates the following incident which occurred off Taechong on 30th March:

"U.S.S. CHEVALIER, on passage from Chodo to Taechong, had on board a pilot from U.S.S. BAIROKO, (Major Walker, U.S.N.C.) who had been forced to come down into the sea off Soku when wounded by machine-gun fire. He had been picked up by H.M.S. CARDIGAN BAY.

When BATAAN rejoined the screen, a helicopter was despatched from BAIROKO to transfer Major Walker to the carrier; it called at H.M.C.S. CAYUGA en route to ferry CAYUGA's padre to BATAAN. To celebrate the pilot's safe recovery, a festive note was struck by adding a little ceremony to the occasion. The Major, arrayed in my full-dress coat and trousers, with his flying kit packed in one of



Her Britannic Majesty's mail bags, was farewelled by the strains of the bagpipes as he ascended above "Y" turret, dangling from the helicopter safety belt in the full dress of a Commander, Royal Australian Navy. He presented a spectacle that formed an amusing sequel to a warrior's return as he faced a battery of cameras on his descent to his own flight deck.

It is thought that even Captain Hornblower would have been mildly astonished at this method of rejoining one's ship. But his envisaged reactions would have been nothing to the look of amazement on the face of CAYUGA's padre, disgorged from the whirlybird onto BATAAN's quarterdeck to be confronted by this unusual gentleman awaiting his seat in the 'flying Taxi'."

*Operation "ROOFLIFT".* - WARRAMUNGA was visited on 6th March at Songjin by C.T.F. 95, (Rear-Admiral George C. Dyer), who considered that there were too many roofs intact in Songjin. WARRAMUNGA was instructed to take U.S.S. SAMUEL MOORE under her orders and spend an hour inside Songjin Harbour to carry out "Operation Rooflift". The story is as follows:-

"Songjin and Chongjin are ports and industrial towns of the order of Port Kembla and Newcastle and had been subjected to devastating bombardment almost daily for over a year by ships ranging from battleships to frigates, and to frequent bombing by Air Force and Naval aircraft. From seaward there is scarcely any sign of life in either place, but intelligence reports indicated that some of the manufacturing potential was being restored.

At 1100 WARRAMUNGA and SAMUEL MOORE entered Songjin and, after putting down the heads of any prospective gunners in the area of a known battery near the entrance lighthouse, both ships lay-to and commenced their bombardments at ranges of 2,000 to 4,000 yards.

After about an hour, during which each ship had fired over 500 rounds, not much impression had been made on the general appearance of the port. Where a building or factory still had a roof its walls were steel skeletons only. If the walls were reasonably intact the place had no roof.

"I don't think much work goes on in Songjin!"

*Commemoration of Landing on Victorian Soil.* - On 8th March, H.M.A.S. GLADSTONE participated in the 150th anniversary of the first British landing on Victorian soil.

The landing of Lieutenant Murray, R.N. in 1802 at Point King, near Sorrento, was re-enacted by a detachment from GLADSTONE dressed in period costumes. The ceremony was impressive and it attracted many holiday-makers.

*Attempted Invasion of Yong Ne-do.* - On 12-13th April, in anticipation of an enemy attack on the island of Yong Ne-do in the Haeju estuary, BATAAN anchored off the nearby friendly island of Taesup-to in an ideal position for enfilading fire across shingle flats extending from the mainland to Yong Ne-do.

The invasion alarm was given by guerilla island defenders about midnight and, by previous arrangement, BATAAN received map co-ordinates of the invaders' positions direct from the island's command post.

The area was illuminated by starshell and a planned creeping barrage was commenced across the flats in the direction of the enemy advance. The guerillas reported that the enemy was retreating, and by 0130 the attack had been routed. BATAAN fired 80 rounds.

Later reports indicated that BATAAN had successfully repelled the advance patrol of about 60 men and prevented a follow-up attack of about 300 men.

BATAAN was not fired upon.

*Henley-on-the-Tamar.* - On 13th March H.M.A.S. GLADSTONE acted as flagship in the Henley-on-the-Tamar regatta.

A demonstration of fire-fighting equipment from the motor boat was given by members of the ship's company.

*Exchange of blows off Chongjin.* - H.M.A.S. WARRAMUNGA, operating with Task Element 95.22 in the Songjin-Chongjin area on the East Coast of Korea, came under fire on 2nd March while bombarding targets along the coastal railway line at Chongjin. The Commanding Officer reports as follows:-

"At 1811, when I had dealt with the last target, I stopped in order to turn at rest before retiring.

Just as the ship came to a halt, a battery of 5 guns, situated in the side of a hill, 5,000 yards on the starboard bow, (which so far had shown remarkable restraint), opened fire on its sitting target.

The ship was immediately straddled with several near-misses; so, without waiting to turn, I proceeded astern at full speed and put up counter-battery fire over the bows.

In a running engagement lasting 15 minutes, three enemy guns were silenced but two continued firing until the range was opened to 11,000 yards. U.S.S. DOYLE came down from the North to join in and the area was well saturated before we left to continue on our patrol.

Some of the near-misses produced shrapnel which came aboard, but the damage was negligible. This was, indeed, fortunate, but it makes it difficult for WARRAMUNGA to compete with BATAAN, who took a shell in the Captain's after cabin a fortnight earlier."



S E C T I O N II.  
EXTERNAL INTELLIGENCE.

**KORRA.**

*Truce Talks.* - It is now over ten months since negotiations for a cease-fire in Korea commenced and it seems that agreement is no nearer than when the talks first began.

A "block" proposal which represented the extent to which the United Nations were prepared to compromise to achieve agreement was made to the Communists by the United Nations delegation on 28th April. The "block" proposal offered to drop the question of reconstruction and rehabilitation of airfields, accept Communist nomination of Poland and Czechoslovakia in exchange for acceptance of Sweden and Switzerland on the Truce Supervisory Commission, and exchange 70,000 Communist prisoners of war for 12,000 United Nations prisoners. Press reports state that this proposal was rejected by the Communist delegation, although, apparently, the Communists do not desire to break-off the talks.

When the Truce talks began it seemed that the Communists were anxious for a cease-fire, but because of the advantages accruing to them from the protracted negotiations (they have been able to build up tremendous military strength and to use the talks as a propaganda forum) the sincerity of their expressed desire to conclude a truce agreement is doubtful.

*Military Activity.* - Fighting has been confined to patrol contacts and minor probes by both sides. United Nations Naval forces have continued attacks on supply routes and gun positions along the West coast and routine interdiction, bombardments all along the East coast. Some retaliation by Communist shore guns against United Nations Naval units carrying out bombardment has been reported.

It is reported that Communist fighter aircraft have shown increasing willingness to engage United Nations fighters in lower altitudes and to attack fighter-bombers, despite heavy losses. The continued increase in Communist fighter aircraft strength suggests the possible expansion of enemy air operations.

*Bacteriological Warfare Campaign.* - It is reported that China has dropped its six weeks old bacteriological warfare propaganda campaign against the United States and is now paying more attention to Korean Truce Talks. This change of emphasis in Communist propaganda may indicate that the Chinese are

preparing to launch a new offensive in Korea in the event of a final break-down in the Truce Talks.

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#### JAPAN.

*Japanese Peace Treaty.* - The Japanese Peace Treaty and the Japan-United States Security Treaty came into force on 28th April and the end of the Allied occupation of Japan was welcomed quietly by the Japanese people. The Prime Minister, Yoshida Shigeru, in a message to the nation pledged to "defend world peace and freedom". He also pointed out that the biggest menace Japan had to face was that of Communism and that the Communist threat was the reason for the defence pact between Japan and the United States. He continued that as such an agreement, for obvious reasons, could not be continued indefinitely, Japan must undertake to build a self-defence force of her own, as resources and circumstances permit.

Now that the Japanese Peace Treaty has come into force, the Allied Council for Japan has ceased to exist.

*Internal Situation.* - Threat of strike action on 12th April by the General Council of Japanese Trade Unions forced the Japanese Cabinet to amend its draft Bill designed to prevent subversive activities. The amendment took the form of clauses specifically protecting the freedom of legitimate labour movements.

On 18th April over a million workers went on strike as a protest against the Bill, and it is possible that further amendments may be made.

May Day in Tokyo was marked by serious Communist-inspired riots, in which over 200,000 people were involved. Considerable damage to American-occupied buildings and American cars resulted. These and earlier riots indicate that, despite the decline in official Communist Party membership since the purge of Party leaders in 1951, the Communists have been successful in whipping-up popular anti-United States feeling. It seems possible that the Communist underground movement is likely to become increasingly dangerous unless determined Government action is taken.

*Japanese-Nationalist China Treaty of Peace.* - Representatives of the Japanese and the Chinese Nationalist Governments signed a Treaty of Peace between the two countries on 28th April, in Taipei. In this treaty Japan renounces all special interests and rights in China.

*Soviet-Japanese Trade.* - There have been a number of reports of offers by



the Soviet to trade with Japan. The two most recent of these are on a barter basis and offer to exchange Sakhalin coal and pulpwood for textiles, leather, floating docks, cranes, 1,000-ton tankers, tugs and small coasters. Japan's increasing interest in the possibilities of trade with the Soviet is evidenced by a report which states that Japanese interests have been making enquiries in Hong Kong as to the possibility of tugs and small coasters being built in Hong Kong shipyards for Japanese account and to be sold to the Soviet Union in exchange for up to £2,000,000 Sterling worth of Soviet pulpwood from Sakhalin. As the export of tugs and coasters to the U.S.S.R. is restricted it is unlikely that Hong Kong would accept such a commitment, even though it would provide needed work for the shipyards and help to offset the United Kingdom's rising Sterling balances with Japan.

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## CHINA (AND MANCHURIA).

*Chinese Communist Air Force.* - The present strength of the C.C.A.F. in tactical aircraft is estimated at 1400, of which total about 80 per cent are at present located in Manchuria or on the Shantung Peninsula.

The layout concentration of C.C.A.F. aircraft is in the Mukden area. A chain of bases forms a corridor down which aircraft may pass to be diverted to Korea or into China proper. Unconfirmed reports state that an "International Volunteer Air Force", with headquarters at Mukden, is in existence in this area.

The Antung area is of the greatest tactical importance at present, as it is believed to contain the only bases from which combat missions are being flown into Korea.

The Hartin area is little more than an outpost area, but is important as a means of ingress from the U.S.S.R. and the Northern sectors of the Far East Military District.

The Headquarters of the C.C.A.F. are in the Peking area, whose geographical situation is such as to facilitate swift deployment to the north or south.

The Tsingtao area is largely devoted to training and for the defence, if necessary, of the important coastal areas nearby.

*Internal Situation.* - The anti-corruption campaign has resulted in serious production losses in important industries and a drop in trade through Hong Kong and Macao. Attention has now been turned to the need for increased production.

*Attitude towards British Masters.* - It is reported that Chinese officials at Chinese ports, with the possible exception of Shanghai, are now making

attempts to be more pleasant to British Masters. Apparently they have been directed to do so.

*Trade with Macao.* - Trade with Macao is still at a standstill. The Chief Intelligence Officer of the Macao garrison is reported to have been captured by the Communists while sailing in Chinese waters.

*Naval Activity at Shanghai.* - The naval headquarters are located in the A. P. C. buildings. Opposite the headquarters the river has been dredged and wooden MPV's are moored in the locality. (These craft have high sterns and are believed to have a speed of 12 knots). Corvettes, frigates, L. C. A.'s, L. C. M.'s and M. T. B.'s are also present. Motorised junks are being built at a rapid rate.

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#### FORMOSA.

*Chinese Nationalist Navy and Army Appointments.* - Admiral Wei Yung-ding, (C-in-C, Nationalist Navy from 1948 to 1952) has been appointed Director-General of Military Affairs in place of General Liu Shih-yi.

Rear-Admiral Ma Chi-chuan (Deputy C-in-C since 1950), has been appointed Gin-C. Admiral Ma is 38 years of age and was trained in the United States. He commanded a destroyer in 1947 and received rapid promotion for his services during the period 1948-1950, particularly in the Shanghai evacuation operations. He is reputed to be a strict disciplinarian.

Admiral Ni has been appointed Deputy C-in-C.

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#### INDO-CHINA.

*Political.* - The composition of Tran Van Huu's new Cabinet is interesting, as it includes a Cao Daist (Le van Hoach) and two former followers of Ho Chih Minh (Nguyen Duy Trana and Nguyen Thanh). While continuing to undertake the responsibilities for National Defence and Finance the Prime Minister has given up his portfolio of Minister for Foreign Affairs and handed it to Nguyen Tung-Vinh.

The Cao Daist sect referred to above is a politico-religious organiz-



ation founded in 1926. It embraces features of Confucianism, ancestor worship, Christianity, Taoism and Buddhism. It is said to have some hundreds of thousands of adherents and it maintains an armed force about 10,000 strong.

*Military.* - Military operations during the past month have been on a minor scale only. The total strength of the French-Vietnamese forces is now 180,000 approximately, which figure includes Vietnamese irregulars.

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#### THAILAND.

*New Cabinet.* - On 31st March the King approved a new Thai Cabinet, with Pibul Songgram as Prime Minister.

The new Cabinet includes most of the former Cabinet ministers, the principal change being the replacement of Warakarn Bancha as Minister for Foreign Affairs by Prince Wan Waithyakorn, formerly the Siamese Ambassador to the United States.

Bancha is now Minister for Economic Affairs, replacing Luang Vichit Vadhakan, who will probably be appointed Ambassador to India. It is understood that the new Ambassador to the United States will be Phot Sarasin.

*Thai Navy.* - It is reported that two P.C. boats are being made available to the Thai Navy by the United States. Steaming parties are due to leave for the U.S.A. shortly to take delivery of the vessels.

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#### MALAYA.

*Anti-Bandit Campaign.* - General Sir Gerald Templer has introduced some new measures in the anti-bandit campaign, principally in the form of the imposition of penalties, such as the introduction of a curfew and a reduction in the rice ration, which will be applied to villages which assist the bandits.

The villages are called to a central meeting place and the reasons for the penalty are explained to them. They are also told that the restrictions will be lifted immediately they co-operate with the Government and provide information.

There is evidence that these tactics are having an immediate result, as in the village of Tanjong Malim a 22-hour curfew had the effect of producing infor-



mation about 40 Chinese who had been assisting the bandits.

It is reported from the Tangkak district that parties of bandits have been using dogs to give warning of the approach of Security forces.

A conference of Malay State rulers has agreed in principle to important changes in the development of re-settlement areas and kampongs. Village councils are to be set up to control various aspects of village life, including general administration, imposition (within limits) of taxes, provision of schools and public works, etc. Members of the village councils will not be nominated by the Government, but District Officers will be responsible for the supervision of their work.

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#### BURMA.

*Political.* - Dr. Ba U, former Chief Justice, has been elected President.

The new Cabinet formed as a result of the national elections was sworn in on 16th March. Thakin Nu remains the Prime Minister, under the new name of U Nu. U Ba Swe is Minister for Defence. A new portfolio of Minister for Land Nationalisation has been created and this indicates that when the internal position stabilises (if it ever does!) the Government will press on with its policy of land nationalisation.

The Anti-Fascist Peoples' Freedom League (APFPL) holds 149 of the 232 seats filled at the elections. (No elections were held for the remaining 18 seats because of insurrection in the districts concerned).

The APFPL is a loose federation of political parties and is Left Wing. It came into being in 1942 as an underground resistance movement against the Japanese.

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#### INDONESIA.

*Political.* - The new Indonesian Cabinet, under Prime Minister Wilopo, is composed of P.N.I. (Nationalist Party) and Masjoemi (Moslem) elements, Wilopo himself being a member of the P.N.I.

Forecasts that the new Government would be "Leftish" have to some extent been confirmed by its actions since taking office. It has bowed to the demands of the Communist-dominated S.O.B.C.I. (the Trades Union Federation in Indonesia) and has granted (under threat of a general strike) a universal minimum wage of Rp. 4.50 for a 7-hour day. Also, it has released 480 political prisoners, many of whom are Communists, from the Nusa Nambangan prison. Further, the

Foreign Minister has announced that the Government will take immediate steps to exchange diplomatic relations with the Soviet Union.

There are several advocates of nationalisation in the Cabinet, and it is possible that, in view of the Government's plans for greater effort towards a planned economy with a redistribution of national income, Western business interests may have a difficult time under it.

*Conditions in Northern Sumatra.* - There has been a wave of crime and disorder in Northern Sumatra. While the various gangs and bandit organisations appear to have no political or ideological affinities, there seems little doubt that they are protected, fed, and sometimes armed by the Communists.

To make the situation worse, part of the Indonesian military forces in the area is known to be unreliable and there have been rumours of mutinies at both Siantar and Kiseran.

On 1st March direct responsibility for internal security was transferred from the Army to the Civil Police.

*South Moluccas.* - Fighting still continues on the islands of Ceram and Ambon, where many of the inhabitants are resisting their incorporation into the Republic of Indonesia and are still attempting to set up a South Moluccas Republic.

It is believed that some ten battalions of the Indonesian Army are now operating on these islands and that Naval and Air Force Units are taking part in these operations.

*Sourabaya Naval Base.* - The Staff Officer (Intelligence), Singapore, recently paid a visit to the Sourabaya Naval Base, which suffered considerably during the War.

He found that the yard and ships were clean and reasonably well kept.

About 50 Dutch employees still work in the Yard - mainly in supervisory capacities. At least 2,000 Indonesians are employed, some 500 of whom live at the base.

Dutch assistance may not continue indefinitely, and it remains to be seen whether the Indonesians can produce sufficient men with organizing ability, skill, integrity and enthusiasm to maintain work even at its present level, let alone build up to a greater capacity.

Shortages of skilled men were reported in all trades except electricians, and even carpenters are hard to find.

Work is being undertaken for the Department of Shipping; but no new naval construction is in hand and at present it seems doubtful whether knowledge, ex-



perience and facilities are available for such an undertaking. However, the Technical Manager seemed confident that, with adequate supplies of materials, construction of ships up to the size of a Corvette could be carried out.

One floating dock at the Yard can lift 3,500 tons and one 2,000 tons, while two dry-docks under cover could accommodate submarines or smaller craft. A larger floating dock is available in the Commercial Yard. (No mention was made by the Technical Manager of the two other floating docks listed in the "Far East Station Port Handbook", both of which are presumably also in the Commercial Yard).

The Technical Manager estimated that the Yard was working at 60 per cent capacity, but whether he was relating that estimate to pre-war figures or post-war potential was not clear. In reply to a question he stated that the yard could undertake practically any work that a destroyer might require, except on the fire-control side.

The general depth of the Marine Harbour is estimated at 25 feet, which is a reduction of approximately 7 feet on pre-war levels. Silting is causing considerable concern as only one dredger is available. The berth on the Cruiser Quay at present occupied by "GADJAH MADAH" (ex-"TJERK HIDDEN") is in good condition, as are the berths on the seaward side of the Naval Base area. Eastward of these latter berths are two B.P.M. tanker berths - one of them still under construction.

In the main engineering shop there appears to be a good selection of equipment, but the Technical Manager complained of over-crowding and of the age of some of the machines. The Construction Department seemed at a low ebb, although machinery is available. The Electrical Workshop possesses its own infra-red drying apparatus, but has suffered considerably from shortage of equipment and spares. The switchboard in this shop has been adapted from an old submarine board.

Power for the Yard is provided by two diesel and one steam generators the latter at present refitting. Power is also being supplied to the town of Sourabaya to ease the present shortage.

Fuel oil for ships of the Indonesian Navy is supplied by P.P.M., who are believed to keep several banks allotted for naval needs.

The Naval Base has its own Police force, with several Dutch Officers.

Given continuing Dutch technical assistance, adequate supplies of tools, spares and replacements for out-of-date equipment, it seems that the Yard will be adequate to sustain the needs of the Indonesian Navy as at present constituted.



## SECTION III

## AUSTRALIA STATION INTELLIGENCE.

## VACUUM OIL COMPANY'S REFINERY, ALTONA.

The Vacuum Oil Company's refinery at Altona, Port Phillip Bay, is to be extended to more than ten times its present capacity. Additional storage tanks with a capacity of approximately 57,000,000 gallons are to be erected.

The project, scheduled for completion during 1954, should make possible the annual production of a minimum of 250 million gallons of petrol, kerosene, distillate, fuel oil, lubricating oils and bitumen.

## CEMENT WORKS, LATROBE VALLEY, VICTORIA.

A cement works, using new technique and processes, is to be built in the Latrobe Valley and production is expected to begin early in 1953.

With other works to be built later, Victoria should become independent of imported cement within six years.

## MELBOURNE HARBOUR TRUSTS DREDGER "A. D. MCKENZIE".

The following are the particulars of the Melbourne Harbour Trust's new dredger "A. D. McKenzie", which was built on the Clyde by Lobintz and Company at a cost of £290,000, and which is now in service at the Port of Melbourne:

Launched:	June, 1951.
Gross Tonnage:	645.95 tons.
Length:	178 feet.
Breadth:	36 ft 1 inch.
Depth:	12 ft 6 inch.
Dredging Rate:	18 Buckets per Minute.
Bucket Capacity:	28 Cubic feet of which 70 per cent is dredge material.
Dredging Depth:	60 feet.

## IMPORTS AND EXPORTS - PORT OF MELBOURNE, 1951.

During 1951 the Port of Melbourne handled a record trade of 8,379,268 tons, an increase of 11% over the previous record set in 1950.

The figures (in tons) are as follows:-

Imports	4,714,187
Exports	1,585,129
Total cargo	8,379,268
Overseas Imports	4,333,305
Interstate Imports	2,650,552
Overseas Exports	982,145
Interstate Exports	672,984

Petroleum products accounted for 1,699,185 tons of the overseas imports. The main export goods were flour - (272,228 tons), and wool (113,716 tons)

There were 2,257 vessel entries into the port, with a gross tonnage of 14,608,494 tons.

## FRENEY KIMBERLEY OIL COMPANY (W.A.)

The Secretary of the Freney Kimberley Oil Company states that negotiations with the Commonwealth and Western Australian Governments regarding capital, plant and other matters are proceeding satisfactorily.

Under the proposals submitted the Company would have access to capital totalling £201,000 and the use of new and modern drilling plant supplied by the Commonwealth Government. In the meantime the W.A. Main Roads Department is examining the tracks between Derby and the bore sites and will recondition them for the transport of plant to the bore.

## GERALDTON HARBOUR OBSTRUCTION.

A Public Works Department (W.A.) team, accompanied by a diver, arrived at Geraldton on 29th April to conduct a survey of a coral outcrop in the approach to Geraldton Harbour.

The outcrop is restricting the draught of ships entering the harbour and is believed to be the object struck by the vessel "IGOR" in June last year.

## CALTEX OIL COMPANY'S PROPOSED OIL REFINERY, BOTANY BAY.

Caltex Oil Company's plans for a £25 million refinery at Kurnell, on the south side of Botany Bay, have met with considerable opposition from the local municipal authorities. The grounds for the opposition are that the refinery would be near the historic site where Captain Cook first landed and, furthermore, in a residential area.

## VISIT OF AMERICAN RESEARCH VESSELS TO NEW GUINEA WATERS.

The United States Government has advised that three U.S. Government Pacific Oceanic Fisheries Investigation Vessels will probably visit the St. Mathias Group and the Hermit Islands.

The vessels are :

M.V. HUGH M. SMITH - Identification No. FWS 1000

Displacement, 300 tons.

M.V. JOHN R. MANNING - Identification No. FWS 1002

Displacement, 281 tons.

M.V. CHARLES H. GILBERT - Identification No. FWS 1003

Displacement, 190 tons.

The vessels will carry a number of P.O.F.I. Scientists; and the expedition is part of a continuing programme of research into the high seas fisheries and oceanography of the Central Pacific Ocean. The headquarters of P.O.F.I. is in Honolulu. It is part of the Fish and Wildlife Service of the U.S. Department of the Interior.

## JAPANESE FISHING VESSELS "SEIKO MARU" AND "KYOYO MARU".

On 21st March the Australian Mission, Tokyo, was advised by SCAP that the Japanese fishing vessel "SEIKO MARU", which engaged in illegal fishing operations in the Hermit Islands, New Guinea, in July last year, had been placed in the custody of the Police at Okinawa and that the Governor of Okinawa had been directed to suspend the licence of the Master (Matsuno Keisaburo) for a period of six months. The Note added that the Okinawa authorities were carrying out an investigation of certain irregularities connected with the registration of the vessel which might result in criminal proceedings being instituted against its owners.

In the case of the "KYOYO MARU", (which also visited the Hermit Group),



no further action was taken, as the Master of the vessel had been tried and convicted in the Territorial Court of New Guinea and had completed payment of fines assessed by the Court.

#### NAVAL OIL FUEL INSTALLATION, MANUS.

R.F.A. "WAVE KING" arrived at Manus on 29th April to discharge 9,000 tons of oil fuel into the Installation.

The preparation for Naval use of remaining tanks at Manus is continuing. One 1200-ton O.F.L. will be transferred from Manus to Darwin when the Manus installation is in operation.

#### DUTCH NEW GUINEA.

Budgets for Dutch New Guinea for the years 1951 and 1952 were presented to the States-General of the Netherlands recently. Preparation of the budgets was delayed owing to the shortage of staff in Dutch New Guinea.

The figures show that financial aid from the Netherlands amounted to approximately 23½ million guilders in 1950, 40½ million in 1951, while the appropriation for 1952 is 20½ million guilders. The high figure for 1951 includes the costs of completing projects which were begun, or sometimes merely planned in that year, even though the work will not be completed until later years.

*Harbours, Airports and Roads.* - In 1950, the sum of 50,000 guilders was set aside for starting repairs to the harbour at Hollandia. In 1951 the amount is 5 million guilders for harbour and 3,600,000 guilders for dock works. In addition, 2 million guilders are to be spent on improvement of the airfields at Biak and Merauke, and 3 million on the road between Hollandia airport and the harbour.

*Shipping.* - The sum of 781,000 guilders is included in the 1951 budget for 20 small vessels of varying sizes already commissioned in the Netherlands. These vessels are for use by the Administration but they may also act as feeder services. In addition, 2,700,000 guilders are to be spent on re-equipping the coastal shipping of the territory. There is a regular monthly service between Holland and Dutch New Guinea.

*Air Services.* - A.L.M. charter flights are now supplemented by the regular

air service to Australia. Internal services are flown by a chartered Dakota and other aircraft under the control of the Navy.

*Administration.* - The 1950 note said that to increase the area under the control of the Administration it would be necessary to build up the numbers of the Administration Assistance Corps (Bestuurassistenten) and this would be done. The setting-up of a new post in the Hapigebeid is provided for in 1952.

A Bureau for Native Affairs is to be established both to advise the Governor on matters affecting the interests of the local population and as an institute for ethnological research.

Preparations for the establishment of a Dutch New Guinea Council are in hand.

*Survey of Mineral Resources.* - Both the 1950 and 1951 notes mention that a survey will be made of the mineral resources of the Cyclops Mountains.

*Indo-Europeans.* - The 1952 budget note states that the Indo-Europeans are still a problem. A large number who migrated from Indonesia were not trained for colonising and had found it difficult to adjust themselves to agricultural work. The Government proposes to extend its information services to assist them in farming.

#### X INDONESIAN INCURSIONS INTO DUTCH NEW GUINEA.

Dutch counter-action was recently taken when it became known that a party of natives from the Indonesian island of Gebe (Lat. 00 degs. 05 mins. S., Long 129 degs. 20 mins. E) had established themselves on Gag, an uninhabited outlying island of Dutch New Guinea.

The party is believed to have consisted of about 40 Gebenese, including three women, and to have been accompanied by several Indonesian Army Officers. Its members are alleged to have made raids on neighbouring islands inhabited by coconut pickers and to have looted a store and kidnapped four pickers.

It is not known what official backing (if any) the party had, but apparently they expected that the R. I. S. "GADJAH MADAH", flagship of the A. L. R. I., would appear on the scene from the South Moluccas. (Actually "GADJAH MADAH" has been undergoing repairs at Sourabaya). Warship recognition was evidently not their strong-point as they mistook a Dutch tug for the A. L. R. I. flagship. The tug brought the first instalment of Dutch troops to the rescue, and the leader of the Indonesian party, stated to be one of the Army officers, was dis-



agreeably surprised when he boarded her off the north coast of Gag. Further detachments were brought to Gag by H.N.M.S. "JOHANN MARITZ VAN NASSAU", the Corvette "BOEROE" and the L.S.T. "WOENDI" brought Marines at about Company strength, from Hollandia. The Marines spent a month hunting down the interlopers, while "VAN NASSAU" toured adjacent islands to restore the confidence of the local inhabitants - who live in dread of Indonesian interference. It is stated that at least three of the Gebenese were killed in the mopping-up operations.

#### SHIPPING INFORMATION.

*Burns, Philp & Co. Ltd.* - Burns Philip's new motor vessel "Malekula"; which replaces "MORINDA" in the Australia - New Guinea trade, has now arrived in Australian waters. She is a vessel of 3,750 tons gross and was built by Barclay Curles & Co. Ltd.

Burns Philip have ordered a second vessel from the Grangemouth Dockyard Company. The vessel, which is scheduled for delivery in 1954, will have a gross tonnage of 2,300 tons and will have accommodation for 12 passengers.

*Sale of S.S. DUMOSA and S.S. COLAC.* - The cargo vessel "DUMOSA" (3,351 tons gross), formerly owned by James Paterson & Co. Pty. Ltd., has been sold to the Gulf Steamship Co. Ltd., of Karachi, for use as a collier between Calcutta and Karachi.

S.S. "COLAC", a sister vessel, previously owned by Huddart Parker Ltd., has been sold to James Paterson & Co. Pty. Ltd., and renamed "EASTRY".

*New Tug for Melbourne.* - A new tug for the port of Melbourne named "HOWARD SMITH", built in Scotland for Howard Smith Limited, is expected to arrive in Melbourne shortly.

She will replace the Company's tug "TERAWHITI", which sank as a result of a collision nearly two years ago.

*Doxford Marine Diesel Engine.* - The first Doxford marine diesel engine built in Australia has been shipped to Sydney for installation in a 6400-ton freighter being built at Mort's Dock and Engineering Co., Sydney.

Built at the Commonwealth Marine Engine Works, Port Melbourne, this engine is the first of six to be built under licence from William Doxford & Sons, Sunderland.

The remaining five engines, when completed will be fitted in vessels built



in Australia for the Australian Shipbuilding Board.

M.V. "TAIWAN". - Wilh. Wilhelmsen of Norway have recently taken delivery of the new 9150-ton cargo vessel "Taiwan". The "Taiwan" is all-welded and built to Lloyds' highest class. She has a cargo capacity of 613,380 cu. ft. including 21,000 cu. ft. refrigerated space. The dimensions are: Length between perpendiculars, 430'; beam, 53'4"; moulded depth to shelter deck, 40'9"; draft fully loaded, 26'5½". Propulsion is by a seven-cylinder two-stroke, double-acting Kockum-MAN diesel engine developing 7,000 shaft H.P. and giving a speed of 18 knots.

#### INTELLIGENCE OFFICERS IN H.M.A. SHIPS.

Lieutenant J. St. B. More, R.A.N., has been appointed Intelligence Officer of H.M.A.S. BATAAN.

Lieutenant E.F.S. Nutt, R.A.N., has assumed the duties of Ship's Intelligence Officer in H.M.A.S. MURCHISON.

Lieutenant D.J. Robertson, R.A.N., is now performing the duties of Ship's Intelligence Officer in H.M.A.S. TOBRUK.

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## SECTION IV.

## SPECIAL ARTICLES.

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

## COMMUNIST PARTY PURGES IN EASTERN EUROPE (UNCLASSIFIED).

The following is a precis of an article in a recent issue of "World Today", the monthly journal issued by the Royal Institute of International Affairs.

Previous to 1948, Communist purges in Eastern Europe were directed almost entirely at anti-Communist elements, but since the defection of Tito in June 1948, Communists have also been purged. Two to two and a half million of the eight million party members in satellite countries, have been expelled. Of this number, about 150,000 have been arrested and half a million deported.

The purges have drastically affected leading party organs in all satellite countries as Communist leaders in most key positions have been arrested and "liquidated". They include both Moscow-trained and "Western" Communists.

Many of the arrests have never been announced - the victims have just disappeared and there have been very few public trials. Most of the trials have been of the "secret administrative trial" type popular in the Soviet and it is obvious that the purge is directed and ordered from Moscow.

The liquidated Communists have mainly been accused of "Titoism" or "national deviation". They have been guilty of giving an interpretation to Marxist theory which differs from Stalin's interpretation, particularly in regard to collectivism in agriculture.

The reaction of party members to these mass purges of Communists is difficult to assess. The many resolutions welcoming them are, of course, ordered from above, and hardly reveal the real thoughts of the party rank and file. Most members are, no doubt, thrown into a state of confusion and panic, as each arrest of an important official brings a wave of arrests of his friends and appointees in all party and Government offices. There is no doubt that the purges result in serious disorganisation of the State administration, especially in the economic departments. This certainly weakens the party. But, on the other hand, it also destroys the possibility of any organised opposition.

The party leaders on the Moscow "black list" are liquidated one by one. Their friends and supporters are liquidated gradually. In the process, the still unpurged leaders are forced to indulge in such humiliating statements and self-condemnations, such unjust and cruel attacks levelled against their colleagues

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(most of them life-long friends) that by the time their own turn for liquidation comes their will to resist is completely sapped, and they accept their destruction with indifference, if not relief.

The majority of ordinary people who have never had the privilege of knowing the secrets of party affairs seem to receive the news of the party purges with a feeling of hardly concealed satisfaction. There is no doubt a mixture of the "It-erves-them-right" mentality, combined with a realization that justice is done, though in a very crude way. For many years the liquidated Communists had been the dreaded liquidators. In the prison cells they meet political prisoners who have been sent to jail on their orders. In the places of banishment and internment the Communist families are surrounded by deportees whom they have deported. Now, however, the oppressors are themselves oppressed. A sort of 'equality of persecution' is being established and, as this is the only kind of equality which exists in Communist Europe, it is, in a way, recognized as such by the mass of the people.

To sum up: the purges and liquidations of Communists in satellite Europe, which started in 1948, have by now assumed gigantic proportions. The leaderships of all satellite parties have been drastically changed and some 25 per cent of all members have been expelled. The number of arrested Communists is believed to be about 150,000, and the number of Communist deportees about half a million. The purges are known to have been ordered and directed by Moscow. 'Western' (as well as Moscow-trained Communists) have been affected. So far very few public trials have been staged. There are no signs that the purges have come to an end even in those countries where the majority of the better-known Communist leaders are already liquidated.

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#### U.S. NATIONAL INTELLIGENCE SURVEYS.

Basic intelligence on foreign countries collected by United States agencies is now published in what are known as National Intelligence Surveys, which may be said to correspond roughly with the products of our Joint Intelligence Bureaux.

The preparation of these National Intelligence Surveys results from a directive issued by the National Security Council on 13th January, 1948. They replace the basic intelligence handbooks known as JANIS (Joint Army and Naval Intelligence Studies) prepared during the War, and which were introduced as a matter of improvisation in the absence of any intelligence handbooks produced



in peace-time on a joint basis.

The co-ordination of information prepared for inclusion in a National Intelligence Survey is undertaken by the Central Intelligence Agency; but, as distinct from J.I.R. practice, the various Sections of the Survey are actually prepared by the intelligence agencies primarily concerned in the particular subject. For example, the Office of Naval Intelligence, Washington, prepares the Sections covering such matters as coasts and landing beaches, ports and naval facilities, merchant marines, shipbuilding, compositions of foreign navies, information concerning the development of foreign naval weapons, etc. (In the preparation of J.I.R. surveys, information is supplied in detail to J.I.R. by the various Intelligence agencies, but its collation is undertaken by J.I.R.)

As a working basis for the N.I.S. programme, 103 geographic areas, covering all the land areas on the globe, have been defined and in addition five oceanographic basic areas have been delineated to provide basic data on all sea areas.

To ensure uniformity in the preparation of the Surveys there is established a National Intelligence Survey Committee which contains representatives of all the contributing agencies and which sits weekly.

Although the National Intelligence Surveys were originally intended for strategic planning and high level planning purposes and to serve the needs of the U.S. Department of State in formulating foreign policies, they now have a large distribution, and in the case of the U.S. Navy, are now available to most commands.

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#### THE NATIVES OF PAPUA AND NEW GUINEA.

Broadly speaking, the natives of Papua and New Guinea are either Melanesians or Papuans or an admixture of both races. Usually, the Melanesians are distinguishable by their lighter skin and longer hair in comparison with that of the Papuans.

As a general rule, the natives are of a good type, are well built, happily disposed and amenable to discipline. They have a strong sense of vanity, as evidenced by their love of personal adornment. This takes the form of elaborate head-dress, sea-shell necklaces and armlets, nasal ornaments, painting (by means of clay) of the skin, tattooing, etc.

Natives are recruited for many purposes and they make good plantation labourers, boats' crews, or domestic servants, but they are not industrious by inclination and are intellectually inferior to other Pacific Islands native races.

The religious beliefs and practices of the natives are numerous and diverse in character and may be loosely defined as ancestral and spirit worship. The spread of Christianity among the natives has been steady and wide and there are now large groups which are mainly Christianised.

The social structure is built upon the family unit in relation to various systems of clanship. The tribal chiefs are known as "luluais"; they are not elected, chieftainship being hereditary. In each community there is a Government-appointed native known as the "tulul", whose function is to assist the luluai.

There is a wide diversity of native tongues; but the knowledge of "pidgin" English, previously confined to the coastal areas, has now become widespread.

In Papua, the Motuan dialect was until recently largely spoken, but it is now being displaced by "pidgin" English. The presence in the Territory during the Second World War of large numbers of Australian and American troops gave the impetus to this change.

The natives have a natural love for regimentation and respond well to good leadership. Through their natural hunting ability, they possess an instinct for aiming and can be readily trained to use small arms with reasonable efficiency. They make good guerilla fighters, being assisted in this direction by their innate jungle craft and their supreme confidence in it. This enables them to exploit the element of surprise, both in approach and pursuit. They are, however, always at the mercy of their imagination and of their various beliefs and "tabus". It is not uncommon to find a percentage most unreliable in darkness, due to their belief in spirits, ghosts, etc. Nor are their powers of endurance and their ability to live off the jungle itself as great as may be commonly supposed.

The natives have a strong sense of personal loyalty and it can also be said that in the main they are loyal to the Administration. During the Japanese invasion, many of them, as is perhaps understandable, co-operated with the Japanese, although there were some outstanding cases where natives remained loyal under the most adverse circumstances.

As a result of their greatly increased intercourse with the white man in recent years (which intercourse was greatly intensified during the Pacific War) the natives are rapidly becoming more conscious of civic liberties and the need for self-advancement. They are showing a greatly increased desire for education, and at the back of their minds there is a dim, but growing, consciousness of the exterior world and their relationship to it. The seeds of nationalism may be present in this changing attitude of mind.



*Native Labour.* - The employment of native labour is regulated by the Native Labour Ordinance, 1946. The indenture system which existed before the war, and since the war on a modified scale, has now been abolished; and instead, natives may now be employed either by Agreement entered into between employer and employee, or as casual workers.

Employment by Agreement is a binding contract for a specific period, both parties having normal civil rights and obligations enforceable by law during the tenure of the agreement.

Casual employment is terminable at any time by either of the parties, and is binding only in so far as general conditions of employment are concerned.

The minimum wage is 20/- per month. No maximum wage is prescribed; but, allowing for marginal skill, a general labourer will average 25/- per month, Domestic and Seamen £2, Cooks £3, Motor Transport Drivers and Engine Drivers £4, Clerks £5, Carpenters £5, and Radio Operators £6. Amongst the higher grades such as Electricians, Heavy Plant Operators, Shipmasters, Medical and Educational Instructors, etc. natives earn up to £12 per month.

In addition, the employer must provide rations, clothing, equipment, quarters and hospital service for his employees and for any of their dependents resident on the job with them; and also costs of repatriation when the Agreement is terminated.

Some 40,000 natives are thus employed.

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#### INDONESIAN NAVY.

The Indonesian Navy (ALRI - Angkatan Laut Republik Indonesia), as a whole, is still in its infancy stage, with personalities rather than tradition forming the basis of service. This is gradually being overcome by patient training on the part of Dutch Advisers; and a recent visit by an R.N. Officer disclosed that all ships and ratings were clean and smart. To quote from this Officer's observations: "Grandiose ideas, selfishness, unreasoning nationalism and irresponsibility are the principal enemies of this embryo navy. Sympathy, patience and understanding, as much as practical assistance, are the weapons which we (the Netherlands, United States and Royal Navies) must use to help the Indonesians in this particular sphere".

The top strata of Indonesian Officers have had former maritime experience, but owe their standing more to a political trend than to naval distinction.

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*Training.* - The "Naval Institute" (for ratings) and "Naval Academy" (for Officers) are established at Sourabaya, using the former Netherlands Naval Air Station.

Classrooms, together with hangars, provide accommodation for 600 ranks under training. These are broken down as follows:-

Basic Training	800
Specialised Training	200
<b>Midschipsman</b>	40
Refresher Course	
(Officers)	60

*Courses.* - Basic Training (all ranks and ratings) 2 months  
 Specialised Training 9 months  
 Advanced Specialised Training 6 months

Approximately 50 Officers are now in Holland undergoing a 3 years' course, with a yearly intake of 16 Officers.

*Fleet.* - The figures given below are not representative of the total complement but those anticipated to be in operation :-

1 Destroyer
4 Corvettes
5 L. C. I's
4 "A" Type patrol boats.
2 Speed Boats
6 Coastal Minesweepers
3 Coast Patrol Ships
27 Coast Patrol Boats
2 Tugs
4 Auxiliaries
2 Sub-Chasers.

*Dutch Assistance.* - The Royal Netherlands Naval Mission consists of 230 Officers and men, the great proportion of the latter being Petty Officers and specialists. Approximately 30 Officers and 40 Petty Officers are employed at Sourabaya and 15 Officers and 40 Petty Officers in Djarkata. The bulk of the remainder of the Mission is at Sourabaya and is apparently made up of specialist ratings.

Books used for instruction are mainly Dutch publications, but future use

of British and United States Text books is anticipated.

*Discipline.* - All Officers and ratings seen were clean and well turned out and were punctilious about giving the return salute.

*Dress.* - Modified uniform designs have been produced but do not seem to differ materially from existing styles.

*Personnel.* - Government Budget figured for the Indonesian Navy are :-

Officers 522

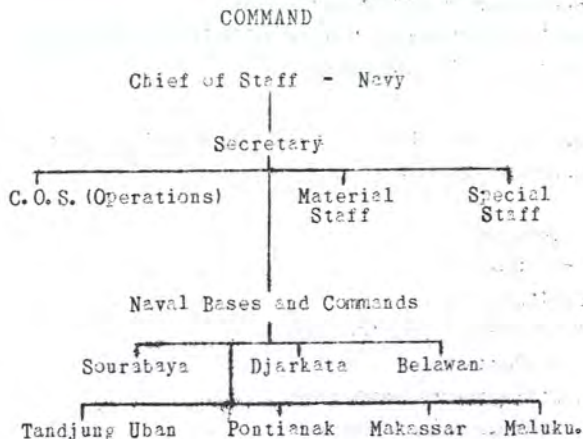
N.C.O's 1594

Other Ranks 2215

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The above include one battalion of Marines comprising 500 all ranks. It is planned to increase this figure to 10,000 eventually.



*Conclusions.* - It is generally agreed that the present Indonesian Naval Officers are not capable of carrying out the formidable task of re-organisation, and therefore the continued retention of Royal Netherland Naval Instructions is desirable.

However, the A.L.R.I. realises its shortcomings and is making every effort to train sufficient personnel to ensure that the Navy becomes a self-contained unit capable of meeting its own requirements.

At present it cannot be considered an effective fighting force.

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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