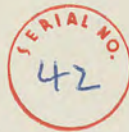


SECRET

Australia Station Intelligence Summary



DATE OF ISSUE 1 JUN 1956

Naval Intelligence Division
Navy Office
Melbourne

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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.

Having completed operation DECANTER two days earlier than scheduled, H.M.A.S. MELBOURNE arrived in Sydney on 9th May, in company with SYDNEY, QUEENBOROUGH, QUICKMATCH, ARUNTA, and led into the harbour by the submarine THOROUGH. On arrival twenty aircraft from R.A.N.A.S. NOWRA saluted the ships and local harbour craft and ferries joined in the welcome.

Great interest was shown in the arrival of the new carrier both by the general public, who could be seen at all vantage points on the harbour foreshores and Sydney's beaches, and press representatives who gave good coverage in the Sydney newspapers. Newsreel representatives were present to provide material both for the cinema and overseas television interests.

On 14th May, the Flag Officer Commanding the Australian Fleet (Rear-Admiral H. M. Burrell, C.B.E.) transferred his flag from H.M.A.S. SYDNEY to H.M.A.S. MELBOURNE after the colourful ceremony of the transference of the Queen's Colour from one ship to the other had been performed.

Relatives and friends of the ships' companies were present on the flight decks to witness both ceremonies, which, due to the high standard of training attained by the National Service Trainee Guard, was most impressive.

H.M.A.S. SYDNEY departed at 1530K on the same day for the Percy Islands to continue her training programme.

S E C R E T

COMMISSIONING OF H.M.A.S. KOOKABURRA.

H.M.A.S. KOOKABURRA commissioned in Sydney at 1000K on Friday, 11th May, 1956, under the command of Lieut.-Cdr. A.M. Downes, R.A.N.R.(S).

KOOKABURRA had been in reserve in Sydney since December, 1950.

PASSING-OUT PARADE OF CADET MIDSHIPMEN IN H.M.A.S. SWAN.

On Monday, 23rd April, the Flag Officer-in-Charge, East Australian Area, (Rear-Admiral H. J. Buchanan, C.B.E., D.S.O.), took the salute after he had inspected the cadet midshipmen who had completed their sea training in H.M.A.S. SWAN prior to proceeding to the United Kingdom to further their training.

The ceremony was well attended by Sydney press and news-reel representatives.

H.M.A.S. JUNEE.

H.M.A.S. JUNEE, in conjunction with M.R.L.251 and M.W.L. 252, was partly engaged in carrying out the ferry service between Onslow and the Monte Bello Islands, under the direction of the Commodore, Special Squadron.

During April JUNEE paid a visit to Albany, with National Service trainees embarked. During the visit to Albany Sea Cadets from the Navy League were invited on board and taken for a day's run in King George V Sound.

H.M.A.S. KARANGI.

On 1st April H.M.A.S. KARANGI sailed from Onslow to Darwin, where she was principally employed servicing moorings in Darwin Harbour and in removing a condemned dolphin situated to the West of the Boom Jetty.

On 24th April KARANGI sailed for Fremantle, calling at Onslow en route.

M.W.L. 251.

On 12th April M.W.L.251 departed from Port Hedland and set course for the Monte Bello Islands. Next day moderate to rough seas were encountered with a strong south-westerly wind. Conditions were most uncomfortable and the estimated ground speed was little more than 5 knots. The ship secured alongside M.R.L.252 at Delta Buoy at 1630.

During the next two days both lighters prepared for the visit of the First Sea Lord, Admiral The Earl Mountbatten of Burma. On Sunday, 15th April, the First Sea Lord arrived by Whirlwind helicopter and really carried out a whirlwind tour of the various islands. As many as possible of the ship's companies were landed and prior to lunch Admiral Mountbatten gave a short address to the assembled ships' companies.

(b) ROYAL NEW ZEALAND NAVY.

H.M.N.Z.S. PUKAKI.

After more than a year overseas the frigate PUKAKI was due back in Auckland on 21st May.

Since she sailed from Auckland on 28th April last year PUKAKI has visited Sydney for working-up exercises, carried out the normal duties of a frigate of the Far East Fleet, taken part in three major maritime exercises and taken the Governor of Fiji, Sir Ronald Garvey, on a tour of the Lau group of islands. Among the countries she has visited are Singapore, Japan, Korea, Hong Kong, the Philippines, Thailand, New Caledonia, Australia and Fiji.

When the frigate left Singapore for the last time on 5th April she gave the Far East a Maori farewell. Her haka party complete with piu piu and tattooing were ranged on the fo'c'sle and as she passed by the ships with which she had operated during her year on the station she gave each a selection of hakas and songs.

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S E C T I O N I I .NAVAL AND OTHER ARMED FORCES INTELLIGENCE
INCLUDING TECHNICAL INTELLIGENCE.U.S.S.R.Reduction in Strength of Soviet Armed Forces.

It has been announced from Moscow that the Soviet Government intends to reduce the strength of the Soviet armed forces by 1,200,000 men. Approximately 375 naval vessels are to be placed in reserve and the Air Force reduced by three air divisions.

These cuts are said to be in addition to the 640,000 men demobilised last year and are to be made before 1st May, 1957.

The announced reduction of 1,200,000 represents approximately 25% of the estimated total strength of the Soviet Armed Forces and appears to be in keeping with Soviet proposals at the recent Disarmament Conference in London which ended in deadlock.

The U.S.S.R. seems to have reached a stage in her economic development where a certain ill-balance between primary and secondary industry needs to be rectified and, under these circumstances, she cannot afford to hold a large standing army when manpower is so urgently needed to place her economy in a position to carry out her present economic policies both at home and abroad.

It is as well to remember, however, that the Soviet's machinery for wholesale and rapid mobilisation in an emergency is probably unequalled by that of any of the Western Powers.

The reduction of Soviet Warships in commission must be considered against the large number of old vessels which are still in commission. It is considered likely that the Soviet Navy will seize the opportunity to lay up those ships built between 1895 and 1945, and in this category alone, the following approximate numbers of ships could be conveniently laid up :-

Battleships	3	
Monitors	1	
Cruisers	4	
Gunboats	1	
Destroyers	35	
Escorts	24	
Coastal Escorts	20	
Fleet Minesweepers	40	(Some of these ships are being converted to hydrographic vessels).
Ex-German and Ex-Italian		
Long Range Submarines	11	
Long Range Submarines (Old)	15	
Medium Range Submarines (Old)	37	
Short Range Submarines (Old)	48	
M.T.B's.	50	

Submarines are considered to be old at the age of 14 years unless modernised, when they are considered old at 20.

This totals some 178 surface ships and 111 Submarines.

In addition there is no longer a requirement for the Amur Flotilla and substantial savings could be effected in the number of coastal and inshore minesweepers in commission (584) and the 630 harbour patrol boats which are at present manned by the Soviet Navy.

Placing this number of surface ships and submarines into reserve would reduce the overall strength of the Soviet Navy by about 50,000 men.

It is considered that, by laying up these old and varied types of ship, the effect will be to streamline and standardise the Soviet Navy, and, in fact, to increase its overall efficiency.

Unidentified Submarine Reports - 1955.

An analysis by N.I.D., Admiralty, of sightings of unidentified submarines during 1955 shows a total of eleven positive identifications. These have been in the Irish Sea, in the Mediterranean, off the coast of Sweden, off the Azores, in the Sea of Japan, off the Philippines and the Aleutians.

In addition some probable submarines and 47 possible submarines have been sighted in widely varying parts of the world. It is considered that these sightings definitely establish that Soviet submarines are carrying out distant patrols.

* * * * *

JAPAN.

Non-magnetic Minesweepers.

The third non-magnetic minesweeper YASHIRO (240-ton) has been launched at the Tsurumi Dockyard, Japan. Each of these Minesweepers has a different underwater hull design and it is reported that the most successful of them will be used as the prototype for future production.

* * * * *

COMMUNIST CHINA.

Launching of Destroyer/Frigate Type Vessel at Shanghai.

An escort-type hull which was first reported as building at Mollers Yard, Shanghai, in May, 1955 was launched

on 28th April. The funnel and mast are in position and it is understood that both director and radar are fitted.

The vessel has been described by an observer as being similar to the Soviet RIGA class destroyer escort, whose estimated characteristics are :-

Displacement (full load).	1,200 tons
Length (over-all)	295 feet
Beam.	31 $\frac{1}{2}$ feet
Main gun armament.	Three single 3.9" mountings.
Secondary armament.	Two twin 37 mm. A.A. "
Torpedo armament.	Three 21" tubes in one triple mounting.
A/S weapons.	No information, but presumed fitted.
Radar.	Fitted.
Speed	28 Knots.

If this is in fact a RIGA class it is a pronounced shipbuilding development for Communist China.

* * * * *

SOUTH VIETNAM.

Naval Training Cruise.

The Vietnamese Navy has undertaken, for the first time in its history, a training cruise which will extend to Manila, Singapore and Bangkok. The force taking part consists of two ex-American PC's and an ex-French L.S.M. It is under the command of the Commander-in-Chief of the Vietnamese Navy, Commandant Le Quang My, who is flying his flag in the P.C. VAN KLEP, which has 21 cadets on board.

French Request for Naval Facilities.

In return for leaving a Naval Mission behind in South Vietnam, as requested by the Vietnamese, the French

have made the following requests for naval facilities in South Vietnam in order to supply and maintain their forces in Laos and Cambodia :-

- (i) Use of Cam Ranh Bay for exercises and the stationing of the Naval Division and its ancillary units.
- (ii) Installation of stores and depots ashore, as well as recreation facilities on the peninsula and Tagne Island.
- (iii) Use of the airstrip at Cam Ranh Bay for liaison purposes.
- (iv) Use of repair facilities on an equal footing with the Vietnamese Navy in the Saigon dockyard.
- (v) Authority for aircraft from aircraft-carriers to use Vietnamese airfields and any necessary technical facilities.
- (vi) A shore residence for the Admiral and his staff at either Saigon or Cam Ranh.

Commander of French Naval Forces in the Pacific.

With the withdrawal from Indo-China of General Jacquot, C.-in-C., French Expeditionary Forces in the Far East, and Vice-Admiral Jozan, C.-in-C French Naval Forces in the Far East, Rear-Admiral Max Douguet, C.-in-C. French Naval Forces Indo-China, becomes overall Commander. His title will be Commander of French Naval Forces in the Pacific.

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THAILAND.

Promotion of Naval Commander-in-Chief to Admiral of the Fleet.

On 28th March the Commander-in-Chief, Royal Thai

S E C R E T

Navy, Admiral Yuthasastr, was promoted to the rank of Admiral of the Fleet.

High-ranking officers of the R.T.N. now comprise :-

- 1 Admiral of the Fleet.
- 4 Admirals.
- 8 Vice-Admirals.
- 24 Rear-Admirals.

In the above connection it is of interest to note that the state of the R.T.N. as at 30th March was :-

	<u>Total</u>	<u>Operat- ional</u>	<u>Non- Operat- ional.</u>
Destroyer Escorts,	2	2	-
Patrol Frigates.	1	1	-
Patrol Boats.	19	14	5
Fleet Minesweepers.	1	-	1
Coastal Minesweepers.	1	1	-

Amphibious Craft

L.C.U's.	6	3	3
L.S.I.L's.	1	1	-
L.S.M's.	1	1	-
L.S.T's.	1	1	-
Auxiliaries	19	13	6

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INDONESIA.

Formation of an Indonesian Naval Air Arm.

A firm of British aircraft agents in Indonesia has been approached by two Indonesian commission agents enquiring about the purchase of up to 16 flying boats and amphibians for the Indonesian Navy.

The first aircraft would be required by 1957 and the commission agents envisage a £10-15 million sterling expenditure for aircraft, hangars, maintenance, spares and armament.

It is known that the Indonesians are toying with the idea of a Fleet Air Arm, but financial considerations have up to the present been the stumbling block, and, in spite of the above report, will probably remain so.

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FRANCE.

Submarine Building.

The snort-fitted submarine NARVAL is at present carrying out her acceptance trials. She is the first of a class of six (the FISH Class) being built. The MARSOUIN (Porpoise), DAUPHIN (Dolphin), and REQUIN (Shark) were launched, and the ESPADON (Swordfish) and MORSE (Walrus) laid down, last year. The particulars of this class are :-

Standard displacement	1,200 tons
Length Overall	255 ft. 11 ins.
Designed speed (Surfaced and submerged)	18 knots
Endurance-Surfaced	25,000 miles at 10 knots
Submerged	400 miles at 5 knots
Maximum diving depth	656 ft.
Torpedo tubes	6 internal and 2 external 21.7 in.

* * * * *

U.S.A.

Guided-Missile Submarines.

The guided-missile submarine (S.S.G) in the 1956 ship-building programme will be constructed as a nuclear-powered

guided-missile submarine (S.S.G.N.). The two conventional attack submarines GRAYBACK and GROWLER in previous programmes and now under construction, will be completed as guided-missile submarines.

All three of these submarines will be equipped for launching the surface-to-surface missile REGULUS.

Operation "DEEPFREEZE".

The U.S.N. Task Force 43, which spent three months in the Antarctic in preparation for the International Geophysical Year, established two main bases, at McMurdo Sound and on Kainan Bay, Little America V.

Materials were landed at McMurdo Sound for air lift to the South Pole base next year, and other materials were landed at the Little America base to be sledged overland by tractor trains to Marie Byrd Land, where an additional base will be built later this year.

These main bases will be augmented by other smaller air and weather outposts during the International Geophysical Year.

Aircraft attached to the Task Force explored 800,000 square miles of the Antarctic during their stay. Ships of the Task Force co-operated in hydrographic, oceanographic and biological surveys.

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S E C T I O N III.EXTERNAL POLITICAL, POLITICO-MILITARY AND
ECONOMIC INTELLIGENCE.U.S.S.R.Soviet Jet Passenger Aircraft TU-104 (CAMEL).

Press reports referring to the Soviet jet passenger aircraft, TU-104 (CAMEL) state that the U.S.S.R. has built some 50 of this type and suggest that they may offer them on the world commercial aircraft market in competition with Western aircraft manufacturers.

The following is a comparison between the British COMET-3 and the estimated capabilities of the TU-104 :-

<u>Type</u>	<u>Capacity</u> (passengers)	<u>Power Plant</u> (static thrust)	<u>Stage</u> <u>Distance</u> (nautical miles)	<u>Cruising</u> <u>Speed</u> (knots)	<u>Cruising</u> <u>Altitude</u> (feet)
TU-104	50/70	Two 16,700 lb.	1,800/ 2,000	430	33,000
COMET 3	58/76	Four 10,000 lb.	2,300	440	40,000

The TU-104 is, generally speaking, a passenger version of the twin-jet medium bomber BADGER, but not all the main elements of that aircraft have been used in the TU-104.

* * * * *

SOUTH KOREA.Presidential Elections.

In the Presidential elections recently held in South Korea, President Syngman Rhee has been re-elected for a

further term with a much reduced majority. Dr. John M. Chang, nominee of the opposition Democratic Party has been elected Vice-President.

This means that a Democrat will automatically become President in the event of Rhee's death or retirement before his 4-year term expires. President Rhee is aged 81.

* * * * *

JAPAN.

Fisheries Negotiations with U.S.S.R.

Negotiations between the U.S.S.R. and Japan were commenced following the restrictions imposed by the Soviet on Japanese salmon fishing in an area of the North-Western Pacific.

An agreement (details not yet known) has now been signed which will come into force when normal diplomatic relations between the two countries are re-established, and this is expected to take place in the early future.

* * * * *

COMMUNIST CHINA.

Export of Chinese Steel to Egypt.

The Sino/Egyptian three-year trade agreement, which was signed in August, 1955, was chiefly remarkable for Communist China's undertaking to export 60,000 tons of steel annually in return for Egyptian cotton. A British ship left Taku Bar in March with a full cargo for Alexandria amounting to 9,814 tons of mild steel and concrete reinforcing bars which are thought to be destined for the Aswan High Dam construction project. The Master learnt that one such cargo had already been shipped to Alexandria, and that at least two further shipments were to be made.

Civil Aviation.

On 11th April a service from K'un Ming to Rangoon via Mandalay was inaugurated. It is understood that a new Russian I.L.-14 was used on the initial flight. This is the first time that a Chinese Communist civil airline has operated outside the Sino-Soviet bloc.

It is further reported that an air agreement between Communist China and North Vietnam was signed on 5th April. Under the agreement a Service will operate between Canton and Hanoi (via Nan-Ning).

Overtures to Moslem Countries.

Communist China has been making overtures to Moslems and Moslem countries in the Middle East and South East Asia.

There have been reports that she may exchange diplomatic representatives with "several Arab nations", including Egypt and Saudi Arabia before the end of 1956. Trade agreements have already been concluded with Egypt, Syria and Lebanon.

In Pakistan she has extended invitations to religious leaders to visit Communist China in June to coincide with the visit of the Pakistani Prime Minister and his party.

Arrangements have also been made for fourteen representatives of Indonesian Moslem Parties to undertake a similar tour.

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NATIONALIST CHINA. The Spratley Islands.

Following a recent statement by a Filipino, Tomas Cloma, (President of the Philippines Maritime Institute Nautical

School), in which he claimed the Spratley Islands (9°40' - 11°30'N., 114°-116°E.) as Philippines territory, the Taipei Press announced that the Chinese Nationalist Navy was standing-by to prevent annexation of the islands by the Philippines. The Philippines Government has made no comment on Tomas Cloma's claim.

The Spratley Islands are a barren group of uninhabited islands, coral reefs and sandbars, lying in the South China Sea. The only island on which human beings could exist is Nan Sha, the largest one in the group.

These islands serve as a temporary base for fishing boats, and in recent years have often been used as such by the Philippines.

Following upon the Chinese Nationalists' announcement, Communist China has re-stated her claim to the Spratley Islands and to the Paracels also.

* * * * *

NORTH VIETNAM.

Dredgers.

It is reported that a dredger completed in Odessa on 25th March has left for Haiphong.

The Vietminh have already received one dredger from the U.S.S.R., which is believed to be at present at work on the bar at Haiphong.

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SOUTH VIETNAM.

Recovery of U.S. Equipment.

The United States is concerned about the fate of

700 million dollars worth of military equipment in South Vietnam, 200 million dollars worth of which is in French hands and the remainder in the hands of the Vietnamese.

Much of this equipment has been badly inventoried and poorly maintained and the U.S. proposes to set up an organisation known as the Temporary Equipment Recovery Mission (T.E.R.M.) in order to recover some, at least, of it.

The United States have suggested that Japanese or Filipino labourers should go into South Vietnam with T.E.R.M. teams, and is seeking the permission of the International Commission in this regard.

The main difficulty at present seems to be whether the entry of this mission into South Vietnam constitutes a breach of the Geneva Agreement and it is likely that, in the final form, recovery of the equipment will be the responsibility of private civilian contractors.

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CAMBODIA.

External Relations.

The Cambodian Government has announced that diplomatic relations were resumed with Poland on 24th April and that the U.S.S.R. would shortly be opening a Legation at Phnom Penh.

Aid from Communist China.

Details of the plan for free and unconditional aid from Communist China for the two-year period 1957-1958 reveal that a maximum amount of £8 million sterling is involved and will consist of equipment, building material, goods and produce needed by Cambodia, specialists to assist with irrigation, agriculture, light industry, communicat-

ions and transport, road building, telecommunications and the construction of schools, hospitals, research centres and power stations.

Japanese Immigration.

A seven-member Immigration Mission from Japan, led by Takashi Ishii, a member of the Japanese Emigration Department, has arrived in Phnom Penh in order to inspect settlement sites in certain provinces in Cambodia where it is proposed to settle 2,000 Japanese.

If the scheme is approved, the first 100 settlers will arrive towards the end of 1956 or early 1957.

* * * * *

INDONESIA.

Export of Rubber to Communist China through Haiphong.

It has been reported that on the 13th May the Communist Chinese merchant ship "NAN HAI 175" lifted 900 tons of unprocessed rubber which was discharged at Haiphong by the Indonesian S.S. "BOROBODUR" on 24th April.

This is the first confirmed report of strategic goods entering China via Haiphong. Although China has to date received many cargoes of Indonesian rubber, they have always been carried in Polish ships ostensibly bound for Europe. It is thought that Indonesia, a member of the United Nations and a recipient of U.S. aid, is reluctant to endanger her position by direct trade with Communist China.

Indonesian Parliamentarians' Visit to U.S.S.R.

The Speaker of the Indonesian Parliament, Dr. Sartono, and the Deputy-Speaker, Zainal Abidin Ahmad, are at present in the U.S.S.R. on an official visit.

Before returning home they will also visit France, Poland, Czechoslovakia and Italy.

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S E C T I O N IV.AUSTRALIA STATION INTELLIGENCE.JAPANESE PEARL FISHING, 1956 SEASON.

The Japanese Pearling Fleet, comprising 21 luggers, 1 research vessel, 1 inspection vessel, 1 mother ship and one additional small research lugger, the "OTOA MARU", departed Japan for Australian waters on 15th May.

The Fleet is due to arrive on the fishing grounds about 4th June. In addition to the areas to the north of Australia allotted as in previous years, two areas on the north-west coast have also been made available. The fleet is restricted to a maximum shell-take of no more than 1,000 tons.

The "OTOA MARU" will proceed to Augustus Island off the north-west coast, approximately 60 miles north-east of Yampi Sound, to carry out research work on cultured-pearl production. This project is being sponsored by the Western Australian Government in conjunction with a combine comprising a gentleman by the name of Dureau of Melbourne, Otto Gerdeau, the American pearl king, and a Japanese associated with the industry in Japan.

The idea is to produce not cultured pearls, but pearl 'blisters', these being in far greater demand at present than cultured pearls.

The "OTOA MARU" will collect shell from the beds off the north-west coast of Australia and replant this shell off Augustus Island. It is anticipated that these 'blisters' will be ready for collection approximately six months after the irritants have been inserted, with three to four 'blisters' being obtained from each shell.

The Japanese are supervising this project and, of course, doing the work, and the profits are to be shared

on a 50-50 basis between Durcrau and the American/Japanese partnership. The reaction of the Australian pearlers to this project should be rather interesting.

B.P. REFINERY (KWINANA) LIMITED.

With effect from 1st June, Australian Petroleum Refinery Limited, owners and operators of the Kwinana (W.A.) Oil refinery, changed its name to B.P. Refinery (Kwinana) Limited.

The new name has thus brought the undertaking into line with other associated companies within the world-wide B.P. Group.

INDONESIAN KETCH "HUDIA PORMES".

On 16th April the Indonesian ketch "HUDIA PORMES" unexpectedly arrived at Darwin from Serua (Indonesia).

"HUDIA PORMES" is a two-masted ketch of approximately 48 feet in length, is built of hand-hewn timbers, and is registered at Ambon (M.Ma 1534). She carried a marine type compass and had a lawyer-cane anchor cable.

Embarked was the master-owner, George Pormes, together with a crew of 14 men and 1 woman, whose only documents were Indonesian Vaccination Certificates.

Under interrogation ashore, Pormes said that he left Serua (Lat. 6° 20' S, 130° E.) on 9th April, heading for Flinders Shoal, 215 miles south. On the following day the ketch struck heavy weather and next sighted land at Cape Fourcroy (The Master had previously told the Harbour-master that Pt. Charles was his landfall).

Only one crew member, Charlie, could speak English, and Mr. Izac Rosenbaum, of the Northern Territory Administration, acted as interpreter. He is a Dutch national who has resided in Indonesia and speaks fluent Malay.

The crew reside at the island of Serua, which has a population of 400. Pormes owns, and Charlie helps work, a small farm and spends some time fishing and trading.

Trading is done with a limited currency supplemented by a barter system.

Indonesian Government officials visit Serua annually to collect taxes and inoculate the people. The nearest Government post is at Banda and the nearest military garrison at Ambon.

Charlie claimed to have been stationed at Darwin as member of the Services Reconnaissance Department during 1939/45 War.

Both Pormes and Charlie claimed to have attended a Native-Malay school and to have never served in the Dutch or Indonesian Armies.

"HUDIA PORMES" was not carrying any charts, but Pormes could read one and use dividers.

Pormes was informed that he would have to repay the Indonesian Government expenses of the visit which would be reported to Canberra. He wanted to sail but was advised by the Harbourmaster to await favourable winds. The crew would not be allowed to work or sleep ashore.

Rosenbaum thought that Pormes and Charlie were average-type Indonesians and that what they said was probably true.

PORT KEMBLA OIL JETTY.

The oil berth jetty at Port Kembla collapsed and sank on 7th May. The mooring lines of a merchant ship held the jetty up for some hours, but when the ship cast off the lines the jetty sank. Until the jetty is rebuilt heavy industries in the district will have to bring in furnace and fuel oils by road.

The freighter "GALAVALE" took on fuel oil at the jetty the night before and remained moored to the jetty until the next morning. The jetty was then seen to be sinking. The ship's officers immediately ordered the mooring lines cast off. As the jetty sank under the water it took with it pumping equipment and more than £2,000 worth of 8 in. oil pipes. Overseas and coastal tankers used the jetty to discharge furnace and fuel oils and petrol.

NEW LIFTING APPLIANCES FOR NEWCASTLE AND PORT KEMBLA.

Two five-ton electric cranes for lifting general cargo will be installed on Wickham Wharf, Newcastle, and six seven-ton electric cranes will be supplied to Port Kembla by the Sydney firm of W. A. Hodgkinson and Co. Pty. Ltd.

The terms of the contract stipulate delivery of the first two cranes for Port Kembla, on No.3 Jetty, within 90 weeks, the second two, for No.6 Jetty, within 116 weeks, and two more for No.6 within 168 weeks. Installation of the cranes at No.3 Jetty will accelerate the turn-round of shipping and those for No.6 Jetty will provide economic handling of particular kinds of cargo.

GOVERNMENT COOL STORES, VICTORIA DOCK, MELBOURNE.

The rebuilding of the Government cool stores at Victoria Dock is to be carried out at a cost of approximately £423,000 and should be completed within four years.

The rebuilding had been constantly urged by the Australian Dairy Board so that butter stocks could be handled more efficiently. The scheme will provide about 66,000 cubic feet of cool storage. The first part to be replaced will be a section which was built during World War I, and which has since become quite obsolete.

SYDNEY-DARWIN AIR SERVICE.

Trans-Australia Airlines opened the longest direct air service in Australia during April when it began operating regular schedules on the 1,966-mile route between Darwin and Sydney with Skymaster aircraft.

The first flight in the new service was from Darwin to Sydney on 16th May, 1956, the return trip being made the next day.

The south-bound flight will leave Darwin every Wednesday at 10.30 p.m. and arrive in Sydney at 9 a.m. next day.

The north-bound flight will leave Sydney every Thursday at 8.30 p.m. and arrive in Darwin at 6 a.m. next day.

The south-bound flight will be one hour slower than the north-bound flight because of prevailing winds.

T.A.A. will make other time-table adjustments to improve services between the Northern Territory and southern States.

CARGO HANDLED AT QUEENSLAND PORTS.

In 1955 the cargo handled at Queensland ports constituted a record for the State.

Figures for the main ports are appended :

Brisbane	2,142,000 tons
Townsville	534,000 "
Cairns	400,000 "
Mackay	272,000 "
Gladstone	223,000 "
Lucinda	121,250 "
Bowen	117,900 "
Maryborough (Urangan)	98,000 "
Rockhampton	87,000 "
Thursday Island	1,450 "

Queensland's total inter-State trade during 1955 was 1,530,000 tons and the overseas trade 2,470,000 tons. During this period industrial disputes amounted to 350,000 man hours. The main cargo handled by the North Queensland ports was approximately 1,000,000 tons of sugar.

Gladstone handled more inter-State cargo than any other Queensland port, including Brisbane, owing to the increased coal trade. Gladstone handled 140,000 tons of Inter-State cargo compared with Brisbane's total of 113,000 tons.

THURSDAY ISLAND PEARLING ACTIVITIES.

Captain Mellor (Coastwatcher) at Thursday Island reports that the Pearl and Trochus shell industry in the area is stable. New luggers have either joined the pearling fleet or are building and there is a general feeling of confidence in the industry.

This observation is of interest as Press reports infer that there is a deterioration in the industry whenever the question of importing Japanese divers is raised.

Three standard 35-ton 60 ft. Thursday Island luggers were launched recently and crews have been recruited and shell contracts arranged at Thursday Island.

Two of these luggers mentioned ("Songhton" and "Briton") are equipped with transceivers and operate daily with Thursday Island Coastal Radio Station (VII). They are the first Australian-owned pearling vessels in Northern Australia to be so equipped.

CAIRNS - PROJECTED PORT IMPROVEMENTS.

The Cairns Harbour Board is planning to develop the port of Cairns by raising debenture loans, with State Government subsidy, of £370,000 to implement the following :-

1. Construction of a new wharf (No.7).
2. The reclamation of Alligator Creek for use by industry.
3. Construction of sugar bulk-handling equipment on the proposed No.7. wharf.
4. Alterations and extensions to No.10 (Naval) wharf.
5. Increase dredging operations.

NEW CALEDONIA.

New Shipping, Noumea.

The construction of a slipway on Ile Nou, Noumea Harbour, is now nearing completion.

The slipway, which is owned by the New Caledonian Government, will be able to take ships up to 1,000 tons.

Telephone Communications.

A new automatic telephone exchange has been installed at Noumea.

Nickel Ore for Japan.

Japanese firms have signed contracts for the purchase of 800,000 tons of New Caledonian nickel ore, for delivery during the year ending July, 1957.

Most of the ore will be supplied by the Pentecoste group of mines at Kouaou. A conveyor belt now being installed there will permit direct loading into ships and replace the present system of loading into barges. When the conveyor belt starts working in July it is expected that loading will be at the rate of 400 tons per hour.

SHIPPING INFORMATION.William Holyman & Sons New Motor Vessel.

George Brown & Co. (Marine) Ltd., Greenock, have received an order for a motor coaster of 960 tons d.w. from W. Holyman & Sons Pty. Ltd., Launceston, Tasmania.

The vessel will have a length of 195 ft., a breadth of 32 ft. 6 ins. and a depth of 15 ft. 3 ins. She will be fitted with MacGregor steel hatch covers and will have eight winches. The main propelling machinery will be supplied by British Polar Engines Ltd., Glasgow.

H. C. Sleigh Ltd. - Purchase of Tanker.

Mr. H. Sleigh, Chairman and Managing Director of H.C. Sleigh Ltd., recently left for the United Kingdom to take delivery of the Norwegian tanker "RYGJA", which has been purchased for £1 $\frac{1}{2}$ million and will be renamed "GERVASE SLEIGH".

The tanker, which will be the third in the company's fleet (the others being "HAROLD SLEIGH" and "ADDERLEY SLEIGH") will carry crude oil from Sumatra to the Australian Oil Refining Company's refinery at Kurnell, N.S.W.

New Vessels for Union S.S. Co. of N.Z. Ltd.

The motorship "KAITOA", the seventh of a series of similar vessels ordered by the Union Steamship Co. of New Zealand Ltd. was launched at Leith by Henry Robb Ltd. on 28th February. The "KAITOA" will be used mainly in coastal service in New Zealand. Having a length of 290 feet, breadth of 43 feet and moulded depth of 19 $\frac{1}{2}$ feet, the "KAITOA" has a gross tonnage of 2,600, a deadweight capacity of 3,030 tons on a mean draught of 17 ft. 3 ins., and a speed of 11 knots.

Another new vessel for the Union Company is the "KAIMIRO", which, after successful trials, departed Swansea on 19th April

for New Zealand, via Australian ports. "KAIMIRO" has been built to replace "KAIRINGA" which, after 34 years of service in the intercolonial trade, has been sold to the Teh Hu Steamship Company of Formosa.

New Port Line Vessel.

The Port Line has announced that a new cargo ship, the "PORT LAUNCESTON", will be launched at Belfast in September, 1956.

The new 8,500-ton ship will trade between England and Australia.

INTELLIGENCE OFFICERS IN H.M.A. SHIPS.

The following Officers have assumed the duties of Ship's Intelligence Officers in their respective ships :-

H.M.A.S. SYDNEY - Lieutenant-Commander P.H. Doyle, R.A.N.

H.M.A.S. QUEENBOROUGH - Lieutenant P.R. Burnett, R.A.N.

H.M.A.S. QUADRANT - Lieutenant R.J. Richardson, R.A.N.R.

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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U.S.S.R.Soviet Economic Planning and Development.

Soviet economic planning and development has aroused interest during recent months, particularly the Sixth Five-Year Plan (1956-60) and the intensified economic integration of the Soviet Bloc.

During the period of the Sixth Five-Year Plan the U.S.S.R. is likely to maintain a rate of industrial expansion considerably above that which could be achieved in peace time by the United States and the nations of the West.

In the Plan, great emphasis has been placed on the development of automation, the provision of agricultural machinery, and the training of technicians. These developments appear to be essential for successful fulfilment of the Plan, as manpower shortages, due to a low birthrate during war years, are now being felt.

Another feature of Soviet economic development which has appeared recently, is an intensified economic integration of the Soviet Bloc. Satellite countries will produce those products which their respective resources and skills make most economic - including, possibly, new Soviet weapons. East Germany is to specialise in the production of such heavy equipment as rolling mills, cement factories, and coal-stripping equipment. Roumania will concentrate on oil-drilling equipment, and Hungary on light-weight diesel-powered trains.

Up to the present, Czechoslovakia has been the only Satellite country to produce weapons of post-war design, but recent reports indicate that Hungary is to produce small arms, light machine guns, mortars, light anti-aircraft guns and searchlights. Other Satellites are also to produce various armaments, but the relative details are not yet known. It is probable that some prefabricated construction of naval vessels may take place. Communist China may also be included in the programme.

In considering the above possibilities, it is of interest to compare the most recent estimates of Soviet scientific manpower with those of the United States. The U.S.S.R. has achieved equality with the United States in the number of University graduates employed in scientific work, and is somewhat in advance in the physical sciences, (mathematics, physics, chemistry, metallurgy, engineering etc.).

In these sciences, the U.S.S.R. is providing full-time training at University level to approximately twice the number of students receiving similar attention in the United States, while in relation to the United Kingdom, the comparison is believed to be twenty times greater. However, one weakness is apparent; the number of technicians and skilled tradesmen required to support the scientists and technologists appears to be inadequate at present, but with their system of specialised training, the U.S.S.R. will no doubt be able to correct this deficiency in a matter of a few years.

Although the numbers at University in the countries of the Western Bloc are much greater than in the U.S.S.R. the Soviet concentrates almost entirely on the science degree to the exclusion of the arts and humanities. This state of affairs is well recognised in the West and measures are being taken to redress the balance.

THE BAGHDAD PACT.

A brief description is given of the Baghdad Pact :-

Born as The Mutual Co-operation Pact signed by Iraq and Turkey on 24th February, 1955, which contained agreements concerning mutual security and defence, the Pact was left open to membership by any of the following :-

- (a) Any member State of the Arab League, or
- (b) Any other State actively concerned with the Security and peace of the Middle East which is fully recognised by both parties.

The Baghdad Pact provided an ideal medium through which a strong Middle East defence structure could be built; previous attempts by the Western Powers having failed to bring this about. Britain therefore joined the Pact in April, 1955. Later she concluded additional agreements with Iraq, which further strengthened earlier ties under the Anglo-Iraqi Treaty of 1930.

Pakistan joined the Baghdad Pact in July, 1955, and by so doing aligned herself more closely with Middle East defence than under the terms of the Turco-Pakistani Friendly Co-operation Agreement of 1945.

Iran became a member nation in October, 1955, despite strong Soviet protests that her action was provocative.

The Baghdad Pact is particularly distasteful to Egypt, as it cuts against her ambition to dominate and control the Arab nations. Some months ago Jordan was considering joining the Pact, but, in the face of Communist-inspired demonstrations, decided not to do so. The Lebanon has so far stood aloof. As a counter to the Pact, Egypt recently entered into an agreement with Saudi Arabia and the Yemen placing their armies,

in the event of war, under a unified command, with the Egyptian Defence Minister as Supreme Commander. Egypt and Syria, Syria and Saudi Arabia, and Saudi Arabia and Egypt had already been linked by separate defence pacts, and only recently Jordan has signed a military pact with Egypt.

India is opposed to the Baghdad Pact because of her often-stated distaste for regional pacts which preclude neutralism.

The United States of America has not acceded, but, short of actually joining, has declared that it will continue its strong and open support of the Baghdad Pact - as evidenced by the recent decision to become represented on the Economic and Subversive Committees set up under the Pact. U.S.A. already has formal treaty relations with Turkey under the North Atlantic Treaty and with Iraq under an aid agreement signed in 1954.

Provisions of the Pact.

The main provisions of the Pact, which is to remain in force initially for five years, are contained in Articles 1, 5 and 6. Article 1, the operative clause, stipulates that the High Contracting Parties will co-operate for their security and defence and that such measures as they agree to take to give effect to this co-operation may form the subject of special agreements with each other. Article 5 provides for the accession of new members and Article 6 envisages the formation of a permanent Council at ministerial level when at least four Powers have become parties to the Pact.

Organisation of the Pact.

After accession by Pakistan, the fourth member, formation of the Ministerial Council became possible. An inaugural meeting was held at Baghdad on 21st November, 1955, attended by the United Kingdom Foreign Secretary, Mr. McMillan,

the Prime Minister of Pakistan, Chaudri Mohamad Ali, the Turkish Prime Minister, Mr. Adnan Menderes, and the Prime Ministers of Iran and Iraq. Mr. W. J. Gallman and Admiral John Cassidy, Commander-in-Chief of the United States Forces in the Eastern Atlantic and Mediterranean, attended as observers at the invitation of the Turkish Government acting on behalf of Pact members.

The Council decided that in order to provide for continuous consultation on political and economic questions as well as military matters, affecting their mutual interests, the Council would normally be composed of the Foreign Ministers of the participants. However, to provide for permanent representation in Baghdad, the Council agreed that each member should appoint a Deputy, who would normally be of Ambassadorial rank, to be its Council representative. Except when the Council is meeting in plenary session, these Deputies are responsible for carrying out the Council's policies, for receiving reports from its subsidiary bodies and for formulating issues requiring decision by member Governments.

Three subsidiary committees and a permanent secretariat have also been established. The Economic Committee is responsible for studying and reporting to the Council on measures of economic co-operation designed to develop and strengthen the joint economic and financial resources of its members. It also undertakes any special studies at the request of the Council. The first meeting of the Committee was held on 10th and 11th January, 1956, in Baghdad. The Military Committee, normally composed of the Chiefs of Staff or their deputies, is responsible for making recommendations to the Council on co-operation in defence and security matters, including staff planning, examining and making recommendations on specific problems of security and defence referred to it by the Council, and executive action at the direction of the Council. The Military Committee first met on 15th January, 1956.

A third committee, the Committee on Subversion, has been charged with combatting subversion in the Pact area.

The organization of the Baghdad Pact is therefore well advanced and a firm basis has been laid for continuously functioning Middle East regional defence organization of the type envisaged under Article 51 of the United Nations Charter.

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THE JAPANESE FISHING INDUSTRY.

The Japanese fishing industry, which suffered severely during the Pacific war, has made a vigorous recovery and has regained its important position in the economy. At the end of the war, the annual fish catch was barely half the pre-war average of 4,000,000 tons, but reconstruction of the fishing fleet proceeded rapidly after 1946, and in the three years 1952-54 the annual catch averaged over 4,800,000 tons. Approximately 450,000 fishing boats are now engaged in the industry.

Despite these advances, a number of new and as yet largely unresolved problems have arisen. In particular, loss of previously-held territories and diminished post-war international status have lessened Japan's influence over many fishing grounds. Some of the richest grounds (viz. those off China, the U.S.S.R. and both South and North Korea) are in waters once controlled by Japan but now dominated by unfriendly nations. At the same time many other countries have, for various reasons, attempted to restrict Japanese fishing in or near their coastal waters. These problems have arisen at a time when Japan's own coastal fishing grounds are being depleted (they now provide only 45% of the total catch, compared with 77% in pre-war years), and this has forced the Japanese to increase their offshore and oceanic fishing.

As a result, serious disputes have occurred with the U.S.S.R., North and South Korea, and Communist and Nationalist China, leading to the seizure of many Japanese fishing vessels. There have also been clashes of interest with Canada, Australia, the Philippines and India. Japan has been seeking to resolve these problems by the negotiation of fishing agreements and the establishment of joint fishing companies with the non-Communist countries. Arrangements along these lines are now in operation with Ceylon, India and the Argentine, and negotiations with Pakistan, Vietnam and Hong Kong are reported to be under way. An unofficial agreement has also been signed between Japanese fishing interests and the Chinese Communist authorities.

Many restrictions on Japanese fishing activities are, however, still applied, particularly by the Communist countries and by South Korea and Nationalist China. This has led to increased Japanese interest in South-east Asian waters, with the consequent ~~likelihood~~ likelihood of further clashes in these areas. The fishing industry is of vital importance to Japan, in view of her difficult food position, and she must be expected to push her claims for further relaxation of restrictions to the utmost possible extent.

(J.I.B. Melbourne)

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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