

SECRET

# Australia Station Intelligence Summary



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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.

Exercise ALBATROSS.

Exercise ALBATROSS, commencing 25th September and due to complete 25th October, is intended to practise the Naval, Naval Air Forces and the Air Forces of the South East Asia Treaty Powers in combined joint operations. The exercise is divided into three Phases.

The following forces, drawn from Australia, New Zealand, Pakistan, United Kingdom and the United States, engaged in Phase One of the exercise which took place between 25th and 28th September in the Java Sea between Lombok Strait and Singapore :-

Australia. - H.M.A. Ships MELBOURNE, SYDNEY, QUEENBOROUGH, QUICKMATCH, QUADRANT, 816 and 817 Squadrons (Gannet A/S aircraft) and 808 Squadron (Sea Venoms) all embarked in MELBOURNE.

New Zealand. - H.M.N.Z.S. KANIERE. R.N.Z.A.F. Maritime aircraft.

Pakistan. - P.N. Ships TIPPU SULTAN, TAIMUR, TARIQ and TUGHRI

United Kingdom. - H.M. Ships NEWCASTLE, COMUS and R.F.A. WAVE CHIEF.

United States. - U.S. Ships LEWIS, WISEMAN, MOORE and SIEVERLING.

To participate in this Phase the Australian and United States ships sailed from Darwin on 21st September and rendezvoused with the New Zealand, Pakistan and United Kingdom forces

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on 26th September, the combined fleet then coming under the command of the Flag Officer Commanding H.M.A. Fleet.

Exercises undertaken on passage from Darwin to Singapore included manoeuvres, replenishment, screen searches officer-of-the-watch manoeuvres, night encounter exercises, air mine-laying, atomic defence measures, air attack on the fleet, and A.A. gun-fire co-ordination. On completion of this Phase of the exercise, all ships proceeded to Singapore, arriving there on Friday, 28th September.

It is of interest to note that Gannet aircraft from H.M.A.S. MELBOURNE made dummy mine-laying attacks on Johore Strait and Singapore Roads. This is the first time in its history that Naval aircraft of the R.A.N. have been employed in this capacity.

\* \* \* \* \*

#### H.M.A.S. ANZAC.

After refitting at Hong Kong, ANZAC sailed for Singapore early in July and soon after her arrival there participated in exercises with units of both the Far East Fleet and the Indian Navy. She returned to Hong Kong in September.

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#### H.M.A.S. WAGGA.

Whilst on a recent voyage from Sydney to Port Kembla, WAGGA sighted and took in tow a disabled fishing launch which had been adrift for some hours.

On arrival at Port Kembla the grateful owner, who was one of a crew of four, offered both his launch and his catch of fish to WAGGA's Captain. The offer was declined.

\* \* \* \* \*



H.M.A.S. JUNEE.

JUNEE arrived at Darwin on 12th August for patrol duties in Northern Waters and is at present carrying out patrols in the vicinity of the Japanese pearling fleet which is operating in the Arafura Sea area.

The Japanese have been permitted to extend their operations to an area just to the west of Torres Strait.

\* \* \* \* \*

Careers Exhibition, Sydney - R.A.N. Exhibit.

The Careers Exhibition for 1956 was held in Sydney at the Trocadero from Monday, 27th to Friday 31st August, 1956, and the R.A.N. exhibit proved most satisfactory. Although floor space purchased by the Royal Australian Navy was 186 sq. ft., an additional 106 sq.ft. was given gratis by the organisers, National Exhibitions Pty.Ltd.

Exhibits provided by ships and establishments in the East Australian Area included mounted photographs, models of a frogman and an airman, aircraft parts including an ejector seat, the Cox gun, a Bren gun, a tape recorder, walkie-talkie sets, Loran set, tape perforator, radio oscillator, and a lighted model of an aircraft-carrier, also a model demonstration of a merchant ship being sunk by a magnetic mine.

Although, on first impressions, the R.A.N. Exhibit did not appear to be as elaborate as those provided by the Army and Air Force, nevertheless it was evident that where a school boy or girl could manipulate or take part in an exhibit as opposed to merely being an onlooker, much more interest was shown and probably more lasting impressions made. Such exhibits were the firing of the Cox gun through steel plate, the sinking of the merchant ship by a magnetic

mine, actual use of walkie-talkie sets, the recording and playback of speech by the tape recorder and access to a Bren gun.

The Garden Island Apprentices' display, which was held in a separate stand, proved most successful. Each day, an apprentice from a different trade demonstrated his particular field of work and many enquiries were received regarding employment possibilities at Garden Island Dockyard. Trades demonstrated were Radio, Pattern-making, Foundry work, Upholstery and Sign-writing.

It was estimated that 93,000 persons visited the exhibition which was officially opened by the Minister for Supply, (the Hon. Howard Beale, Q.C.), and which was sponsored by the Department of Labour and National Service and the Daily and Sunday Telegraphs.

A Careers Exhibition was also conducted in Melbourne.

\* \* \* \* \*

#### Sale of Ex-Naval Vessels to Far East.

The L.S.T's LABUAN and LAE, which have been up for sale for the past two years, have been bought by Henderson Trippe Shipping Co. of Manila and will shortly be towed from Sydney to Hong Kong. It has been reported that the tug BUSTLER, which recently towed the minesweepers BOWEN and LATROBE from Melbourne to Hong Kong will tow the L.S.T's to Hong Kong. However, this report is unconfirmed.

\* \* \* \* \*

#### Survey Ships.

In recent months H.M.A.S. WARREGO, and the tenders WARRIEN and BROLGA have carried out an extensive survey of waters off the Queensland coast. During this period obser-



vation parties have been landed on many small islands. One party from WARREEN was stranded overnight, when, despite two attempts, heavy surf prevented them from being taken off. They were forced to spend an uncomfortable night. The party suffered no ill effects from their enforced stay.

\* \* \* \* \*

(b) ROYAL NAVY.

Commonwealth Personnel in H.M.Y. BRITANNIA.

With the approval of Her Majesty the Queen, the Ship's company of H.M. Yacht BRITANNIA will contain representatives of the Navies of the Commonwealth of Australia, and New Zealand during the Duke of Edinburgh's tour of Australia, for the Olympic Games, New Zealand and Antarctica.

The R.A.N. will contribute one officer and four ratings and the R.N.Z.N., two ratings. The personnel will remain in BRITANNIA until she arrives back in the United Kingdom in the early part of 1957.

Royal Marines to Serve in Some Frigates.

H.M.S. LOCH KILLISPORT sailed from Portsmouth on August 15th, for service on the East Indies Station and in the Persian Gulf, with a detachment of approximately 20 Royal Marines. She is the first of three frigates to be so manned.

Royal Marine detachments are henceforth to be embarked in certain frigates in lieu of seamen. This is a departure from the traditional sea service of Royal Marines, which hitherto has been normally restricted to ships of the size of cruisers and above.

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S E C T I O N II.NAVAL AND OTHER ARMED FORCES INTELLIGENCE  
INCLUDING TECHNICAL INTELLIGENCE.J A P A N.Weapons Development Programme.

The Japanese and U.S. Governments are at present negotiating a Mutual Weapons Development Programme which is aimed at assisting the Japanese to develop weapons for which the U.S. will supply the parts and technical assistance in their construction.

The Japanese have submitted a list of weapons for the three Services which they would like to develop under this Programme. Those affecting the Maritime Self-Defence Force are :-

- (i) Equipment for submarine detection by aircraft.
- (ii) Special light turbines for submarines.
- (iii) Homing torpedoes.
- (iv) Long-range Sonar.
- (v) 5,000 H.P. Gas turbines.

Training of Naval Airmen in U.S.A.

Sixty Japanese Naval airmen sailed in the carrier PRINCETON for the U.S.A., where they will be given nine months training in the operation of the Gruman Sentinel S2F.

The Japanese expect to receive some of these aircraft before the end of the 1956/57 Fiscal Year.

The Sentinel is normally a carrier-borne A/S aircraft.



Contract for the Construction of a Submarine.

The contract for the construction of Japan's first post-war submarine, a schnorkel-fitted 1,000-tonner, has finally been let to Kawasaki Heavy Industries.

It is expected that construction will not be completed before the end of the 1957/58 Fiscal Year.

\* \* \* \* \*

COMMUNIST CHINA.Possible Increase in Strength of Chinese Communist Navy.

Recent sighting reports indicate that the strength of the Chinese Communist Navy may have been increased as follows :-

S-Class Submarines (ex-Soviet) - Possibly increased from six to eight boats.

CASTLE-Class Frigates (ex-Canadian) - Two ex-Canadian CASTLE-class frigates, H.M.C.S. BOYMANVILLE and H.M.C.S. COPPERCLIFF, were converted by the Chinese Nationalists for commercial use after World War II. Both fell into Chinese Communist hands in 1949, and the former vessel was reconverted for naval use and armed with two 5.1" guns and four close-range weapons. The status of the latter vessel has remained obscure for the past six years. A recent photograph features a naval vessel with major differences from ex-H.M.C.S. BOYMANVILLE, and it is possible that the C.C.N. now have both CASTLE-class in service.

T-43-Class Fleet Minesweepers. - It has been known that the C.C.N. possess two T-43-Class Fleet Minesweepers which were transferred from the U.S.S.R. in October 1954. Recent sightings of five vessels possibly of the T-43 class may indicate either additional transfers or local construction.



These vessels are also adapted for escort duties by the addition of ahead-throwing A/S weapons and Asdic.

The following are the characteristics of T-43's:-

Displacement:	550 tons(Std)
Length:	190 feet
Beam:	28 feet
Draft:	7 feet 8 inches
Complement:	75
Designed Speed:	19 knots
Endurance:	3,000 miles
Horse-power:	3,000
Scrows:	Twin.
Drive:	6-cylinder Diesel.

Armament.

2-45 mm. or larger  
2- M.G.

Mine Gear.

Probably fitted for sweeping contact and magnetic mines; fitted for minelaying.

Radar.

Neptun.

A.S.W.

Possibly fitted with a mortar-type ahead-throwing weapon.

\* \* \* \* \*

B U R M A.

Services Attache to Australia.

A/Captain Tin Thane Lu has now taken up his duties as Burmese Services Attache.

Previously Burma had been represented by an officer bearing the designation of Military Liaison Officer only.

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F R A N C E .Transfer of Naval Headquarters from Indo-China to New Caledonia.

The Headquarters of the French Naval Forces in the Pacific based on Indo-China ceased to exist as from 19th September and will reopen in Noumea. The Commander-in-Chief of the French Naval Forces in the Pacific, Rear-Admiral Douguet, will be relieved by Rear-Admiral Toulouse-Lautrec.

The Naval arsenal at Saigon was handed over to the Vietnamese on 14th September, and, although a small naval party will remain behind in Indo-China, the French Naval Command in the area is now non-existent.

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S E C T I O N III.EXTERNAL POLITICAL, POLITICO-MILITARY AND  
ECONOMIC INTELLIGENCE.U. S. S. R.Soviet-American Co-operation - International Geophysical  
Year Activity.

The Soviet and the United States have agreed to co-operate in the launching and subsequent tracking of earth-satellites which both countries are planning to establish in space during the International Geophysical Year.

The Soviet satellite, like its American counterpart, is being designed for measurement of pressures and temperatures, as well as for observations of cosmic rays, micro-meteorites, the geo-magnetic field and solar radiations.

Both countries have agreed to use similar telemetering systems, by which information will be transmitted to earth. They will also use similar tracking devices so that common equipment can be installed round the world for keeping watch on all satellites.

\* \* \* \* \*

J A P A N.Peace Treaty Negotiations.

It is possible that the Soviet and Japanese Governments will resume, in October, their negotiations for a Peace Treaty. Talks were suspended in August to allow delegates to attend the Suez Conference in London.



Japan has been manoeuvred into a difficult position in these negotiations, and whether she accepts or rejects the Soviet Government's demands, she faces a bleak prospect.

There is just a possibility that the Soviet will accept exchange of diplomatic relations of the West German type, which leaves in abeyance the solution of territorial claims as an interim measure.

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### COMMUNIST CHINA.

#### Sino-Mongolian Economic and Technical Aid Agreement.

It is understood that Communist China and the Mongolian People's Republic have signed an economic and technical aid agreement under which Communist China will build in Mongolia a woollen textile mill, a paper mill, a glass works, and certain other projects. This is the first aid agreement between the two countries. Mongolian economy has up to the present been dominated by the U.S.S.R., and this agreement may well result in an increase of Chinese influence in the area.

The Mongolian People's Republic (formerly the Chinese province of Outer Mongolia) was the first "People's Republic" to be set up on the Soviet pattern. This took place in 1921, and Russian sympathy was enlisted. The Republic was somewhat unwillingly recognised by Nationalist China in January, 1946, following a plebiscite which resulted in an overwhelming vote for independence. A treaty of friendship and mutual assistance exists between the Mongolian People's Republic and the U.S.S.R.

#### Production of Prototype Jet Aircraft.

The successful production of a prototype jet aircraft was announced from Peking on 9th September. It is

thought that the Chinese Communists could manufacture jet aircraft on a production basis by the end of 1957, using, initially, some imported material and components.

#### Iron and Steel Plants in Sinkiang.

It is reported that construction has started on Sinkiang's second iron and steel plant with a designed capacity five times that of the existing plant at Urumchi. According to estimates, the new plant will produce some 135,000 tons of ingot steel per annum.

Completion of the railway line from East China to the important Yumen oilfield, and the continuation of this line to join the Turko-Siberian Railway on the Sino-Soviet border (which may be reached in 1960) indicates the probability of large-scale industrial development in this area.

\* \* \* \* \*

#### NATIONALIST CHINA.

##### Merchant Vessels Constructed in Japan.

A Japanese shipbuilding firm is constructing a 28,000-ton tanker for Nationalist China. The vessel has already been launched.

It is understood that an 11,000-ton freighter has also been ordered in Japan.

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#### NORTH VIETNAM.

##### Soviet Dredgers at Haiphong.

It is reported that the Soviet dredger "ZEMLOSOS 20", which arrived in Haiphong on 20th March, is still undergoing extensive repairs and the installation of new



machinery. A second dredger, "1954", which arrived in Haiphong in June from Odessa has, like "ZEMLOSOS 20", still a Russian crew.

It is believed, however, that the North Vietnam Ministry of Transport intends to open a school in Haiphong to train Vietnamese as engineers, navigators and crew members to take over both these dredgers.

\* \* \* \* \*

### SPRATLY ISLAND.

#### Occupation by Vietnamese.

The embryo Vietnamese Navy (South Vietnam) is reported to have effected a landing on the small island of Spratly and to have hoisted its flag.

This island has been claimed by a number of nations, including Communist China, the Philippines, France and Great Britain, and is close to the group of islands recently in the news as Spratly Island Group (or Nan Sha Archipelago) occupied by the Chinese Nationalists.

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### L A O S.

#### Relations with Communist China.

Following the agreement between the Pathet Lao and the Royal Laotian Government over the much-disputed northern provinces of Sam Neua and Phong Saly, the Prime Minister of Laos paid short visits to Peking and Hanoi.

On his departure from Peking he announced that he was "deeply moved" by Communist China's offer of economic assistance and that his country would help China to



"safeguard peace" in Asia and the Far East.

So far there has been no confirmation that Laos has accepted any proffered aid from Communist China.

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PHILIPPINES.

United States Bases.

Negotiations over United States bases in the Philippines are continuing and it is reported that the U.S. may be prepared to relinquish control of some bases including the control of the Port of Manila.

Following considerable anti-American criticism in the Philippines, Vice-President Nixon visited the Islands and came to an agreement with President Magsaysay for the U.S. to recognize Philippines territorial sovereignty over the bases. Other matters still under negotiation are the number and location of bases, the duration of their leases and the question of U.S. legal rights inside the bases.

It would appear that, despite Vice-President Nixon's visit and the recognition of Philippines' sovereignty over the bases, President Magsaysay's political opponents will not allow the question of the bases to fall from the public's notice.

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PAKISTAN.

New Prime Minister.

Following the resignation of Mr. Mohamad Ali as Prime Minister, Mr. H.S. Suhrawardy has been sworn in as

leader of a Coalition Government of the Awami League, of which he is leader, and the Republican Party.

Born in West Bengal in 1893, ~~Ed~~rawardy studied at Oxford University, where he took Honours in jurisprudence and a diploma in political economy. He was at one time Deputy-Mayor of Calcutta and Secretary of the Bengal Provincial Muslim League. He was a member of the Bengal Legislative Assembly from 1921 to 1947. He became a Minister and later Chief Minister in undivided Bengal immediately before the partition in 1947.

It is noted that the policy of the Awami League favours a break-away from the British Commonwealth of Nations, an independent foreign policy, and neutralism in the event of any major conflict.

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#### C E Y L O N .

##### Establishment of Diplomatic Relations with the U.S.S.R.

Ceylon and the U.S.S.R. have agreed to exchange diplomatic representation at Ambassadorial level.

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#### I N D O N E S I A .

##### Anti-Chinese Incidents.

Recently there has been an outbreak of anti-Chinese incidents inspired, it is alleged, by certain Army Officers. There is some support for the allegations, inasmuch as it has been freely stated that if the Army should gain control of Indonesia the Chinese would receive a raw deal.

The Chinese, a prosperous minority of about two and a half millions, have reacted by approaching the Chinese Communist Embassy in Djakarta for protection and support.

As a result, it is feared that the Peking Government will be able to extend its influence over non-Communist as well as Communist Chinese in Indonesia.

#### Soviet-Indonesian Economic Relations.

Following upon the recent conclusion of a trade agreement between the U.S.S.R. and Indonesia, it is now reported that negotiations for an aid agreement have also been completed.

Under this agreement the Soviet Union will give to Indonesia aid to the value of £50 million.

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S E C T I O N I V .A U S T R A L I A S T A T I O N I N T E L L I G E N C E .N O R ' W E S T W H A L I N G C O M P A N Y ' S W H A L I N G  
S T A T I O N , B A B B A G E I S L A N D , W . A .

During July a party from MRL 252 and MWL 251 was shown over the Babbage Island Whaling Station. At the time five whale chasers were operating in the Shark Bay area and between them they were averaging eight to nine whales each day.

The Commanding Officer, H.M.A.S. MRL 252 reports;-

"On Tuesday, 3rd July, we saw a humpback whale being hauled up the slipway by a steam winch. As soon as the whale had been dragged into the factory, the floormen began to cut it into sections. It took 45 minutes to remove every piece of flesh until only the backbone remained.

The whalemeat is then passed for further processing and the skin is kept for transforming into whale oil. Two twelve-hour shifts work seven days a week and the average whale is in the region of 40 feet in length. It takes five hours from the time the whale is hauled into the factory floor until it is either whale oil or in bags as whale meat or other bye-products. The ~~smell~~ smell of the factory is a trifle nauseating, but one could not help being impressed with the efficiency of the Babbage Island Whaling Station."

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S H I P P I N G E N T E R E D A T A L B A N Y .

A considerable increase in the number of vessels entering the port of Albany has taken place this year due

to the first shipments of wheat on a full scale since pre-war times.

Up to the end of August 49 vessels had entered, and it is expected that by the end of the year between 70 and 80 vessels will have called at Albany.

The port is expected to handle over 100 ships per year within the next three years.

\* \* \* \* \*

#### VISITS TO SYDNEY BY SHIPS OF THE UNITED STATES NAVY.

Two visits to Sydney during September were those of the U.S. Submarine CARP and the 51st Destroyer Division of the 5th Destroyer Squadron, comprising U.S. destroyers, ROWAN, GURKE, HENDERSON and SOUTHERLAND.

The submarine CARP arrived on 4th September and departed on 10th September, the day after the Destroyer Division arrived. Much interest was shown in both visits by the general public, all five ships being open to visitors each afternoon. At times, the queue of those inspecting the submarine ran to several hundred yards.

The four destroyers sailed from Sydney for Guam on Thursday, 13th September.

\* \* \* \* \*

#### COPPER REFINERY, TOWNSVILLE AREA.

The Chairman of Directors of Mount Isa Mines Limited has announced that the Company is considering the building of a copper refinery at Stuart, 5 miles from Townsville, to refine the blister copper produced from the smelter at Mt. Isa.

\* \* \* \* \*



BAUXITE DISCOVERY - QUEENSLAND.

A deposit of bauxite (raw material for aluminium production) has been found on the west coast of the Cape York Peninsula, North Queensland. The extent of the find is reported to be "hundreds of millions of tons". Bauxite has been previously located in the Wessel Islands off the north-east coast of Arnhem Land and in Arnhem Land itself.

In 1954 the total bauxite reserves in Australia stood at 22 million tons of proved material, with another 12 $\frac{1}{2}$  million tons indicated. These reserves were noted as being sufficient for Australia's bauxite requirements for well over 100 years.

\* \* \* \* \*

AUSTRALIAN CONSTRUCTION OF DIESEL-ELECTRIC LOCOMOTIVES.

A new £500,000 plant built for A.E. Goodwin, Ltd., capable of producing large diesel-electric locomotives at the rate of one a week, is nearing completion in Sydney.

The locomotives, known as the "Goodwin-Alco Locomotive", will be made in Australia under licence from Alco Products Incorporated, of America. Of 1950 h.p., they will be the most powerful available in Australia.

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AUSTRALIA'S OVERSEAS TRADE, 1955-56.

Statistics contained in the "Overseas Trade Bulletin", issued by the Commonwealth Bureau of Census and Statistics show that in 1955-56 the total value of imports into Australia was £806,144,000, while that of her exports was £782,288,000 - showing an adverse balance of trade of £23,856,000, which, of course, would have been considerably



greater but for the action of the Commonwealth Government in imposing import restrictions.

Trade with the principal overseas countries, expressed in £A1,000's, was as follows :-

Country	Exports from Australia.	Imports Into Australia.
United Kingdom	257,390	348,084
U.S.A.	55,039	96,848
Canada	10,911	22,669
New Zealand	40,925	8,411
Singapore	12,105	4,465
Belgium-Luxemburg	26,176	11,366
France	67,313	15,324
Germany (Fed. Republic)	36,407	34,078
Italy	34,622	11,651
Japan	86,557	22,229
Indonesia	6,837	22,264
India	11,976	23,238
Malaya	9,338	16,058
Borneo (British)	1,042	22,669

\* \* \* \* \*

#### PROPOSED NEW STEELWORKS AT PORT STEPHENS, N. S. W.

The New South Wales Minister for Mines recently announced that he had discussed with the Commercial Counsellor of the French Embassy the possibility of setting up a big new steelworks at Port Stephens by a French industrial organisation.

The Minister said that such an undertaking would employ up to 8,000 people and use up to 30,000 tons of

coal a week. This would absorb about 2,000 mine workers and help solve the surplus labour problem which mechanisation and a static demand for coal had created.

Although a site has not yet been chosen, it has been rumoured that Salamander Bay, the strategic base where the Americans planned and trained for the South Pacific "island hopping" campaign during World War II, would be the most likely area. Local residents of Nelson's Bay have indicated that the Railways Department is already pledged to build a railway line to Tomago for Courtaulds textile factory and there would not be any difficulty preventing the line being extended a few more miles to Port Stephens.

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#### NORTHERN TERRITORY.

##### Civil Air Lines.

The Darwin Manager of Trans-Australia Airways has stated that the passenger and freight returns for the Northern Territory for the year ended 30th June, 1956, showed an all-time 'high'.

MacRobertson Miller Airways also reported their best year as at 30th June. This Company introduced a de Havilland 'Dove' aircraft to their Northern Territory Service on 26th August.

##### Uranium.

Another South Alligator area uranium find has been reported 62 miles north-west of the El Shantara holding by a small but very active prospecting Company, North Australian Oil and Refining Company.

The Cataract Mining Company will take charge of operations.



Local Pearling Industry.

The President of the Darwin Master Pearlmen Association has stated that the industry was in "a pathetic state of the doldrums". The Darwin Pearlmen have been disappointed at the lack of response to their request for more Japanese divers, who are considered to be the only really top-line divers. With the crews much under strength, efficiency has been low all through. The luggers have spent most of this season looking for the little areas which the wide-sweeping Japanese Fleet has missed.

Lead.

A considerable tonnage of low-grade ore has been indicated by diamond drilling in the Rum Jungle area. Mr. Anderson, the Director in Australia of Consolidated Zinc Prop. Ltd., said that considerable work would have to be done before it could be established that the lode would justify production operations. He stated that the report circulating that a great quantity of high grade ore had been discovered by the Company was not true.

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N A U R U.Report of United Nations Mission.

The Articles of the United Nations Charter provide for periodical visits to Trust Territories, and in this connection a four-man Mission spent four days in Nauru earlier this year. The Mission's report on the Australian Trust Territory of Nauru was a reasonable one and it praised progress made in some directions. The Mission, stressed, however, that there were a number of problems requiring the early attention of the Administration :- the finding of a future home for the Nauruans, provision of facilities for higher education and the need to rehabilitate the island's agriculture.



The following facts concerning Nauru are of interest in considering the report :-

Nauru has a population of 2,000 indigenous Nauruans, plus 1,700 temporary immigrants, most of whom are Chinese and are employed by the Phosphate Commission. The area of the island is only 8.2 square miles and, except for a narrow coastal belt, the island consists of phosphate-bearing land which is used neither for agriculture nor habitation.

During World War II Nauru was under Japanese occupation and all buildings and installations were destroyed. The material rehabilitation of the island, including the restoration of the extensive phosphate loading equipment, is now complete, and the phosphate industry, the largest of its kind in the world, is back to full production.

The phosphate deposits, which will be exhausted in 40 or 50 years, have provided the Nauruans with great prosperity; no longer does their diet consist of coconuts, fruit and fish - instead the coconuts rot, fishing is unpopular and the natives import much of their food from Australia and New Zealand. It would now be practically impossible for them to revert to their original mode of life when their phosphate resources end.

The phosphate industry is the main source of income and revenue, 90% or more of the Administrative budget being provided by the British Phosphate Commissioners and the balance being covered by miscellaneous items such as import duties, radio and postal services.

The question of the eventual resettlement of the Nauruans is dependent upon (a) employment opportunities enabling Nauruans to maintain their present living standard; (b) finding a community which will accept the Nauruans and (c) readiness on the part of the Nauruans to mix with the existing peoples. No solution is offering at present.

In the field of education, although 90 per cent of the Nauruans are literate and education is compulsory for all children between the ages of six and sixteen, only twenty students had completed full secondary education by the end of 1955 and no Nauruan has completed university education.

Agricultural education, too, must be promoted. There are only six hundred acres on the whole island suitable for the cultivation of crops and very little use is made of them. When the transfer of Nauruans takes place a knowledge of agricultural methods will be essential for the independent survival of this people.

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#### NETHERLANDS NEW GUINEA.

##### C-in-C, Naval Forces, Netherlands New Guinea.

Rear-Admiral Alberts Marinus Valkenburg has taken up the appointment of C-in-C, Naval Forces, Netherlands New Guinea.

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#### SHIPPING INFORMATION.

##### Sale of S.S. "MERNOO".

The Melbourne Steamship Company Limited has advised that their vessel S.S. "MERNOO" (2,496 gross tons; built in 1926) has been sold to Cambay Prince Steamship Co.Ltd., of Hong Kong.

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

The Union Steamship Company's new vessel "HAITOA" (2,600 tons gross), which left London for New Zealand early in June, will be followed later by "KAIMAI" and "KONINI",



now being built at Leith.

The Union Company also recently took delivery of "KAIMIRO" from Alexander Stephens and Co., Glasgow, which is also building "KAITUNA" and "KORANUI" and three other ships of similar size.

H.C.S. Coasters Pty. Ltd's, New Vessel.

With reference to A.S.I.S. Serial No.43, some further particulars of the new vessel which is to be built by the Burntisland Shipbuilding Group for H.C.S.Coasters Pty. Ltd. (an associate company of H.C. Sleigh Limited) are now available.

The vessel (3,470 tons dead weight) will be a general cargo carrier. A feature of her design is that the cargo will be carried in two large clear holds to suit special trade requirements. Her propelling machinery will consist of a Sulzer diesel engine of 1,900 b.h.p. and her speed will be 12 knots.

Sale of S.S. COMARA.

S.S. "COMARA" (750 tons) is reported to have been sold to French buyers at Noumea, New Caledonia. Until early this year she was engaged in the North-West trade by the Western Shipping Pty. Ltd.

The ship was previously owned by the North Coast S.N. Co. Ltd. of Sydney.

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INTELLIGENCE OFFICERS IN H.M.A. SHIPS.

Lieutenant P. E. I. Boling, R.A.N.V.R., has assumed the duties of Ship's Intelligence Officer in H.M.A.S. ANZAC.

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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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T H E L A T I N A M E R I C A N N A V I E S.

During 1955 the navies in Latin America made progress both in political importance and professional development. Most notable in this progress have been the navies of the A.B.C. powers, namely Argentina, Brazil, and Chile. As a rule these navies have been non-political groups, but many leading naval officers have occupied cabinet and other high government posts; some very often concurrently with important naval billets, as, for example, Rear-Admiral Isaac F. Rojas, who is not only Vice-President of Argentina but also Chief of Naval Operations.

In Argentina the Navy and the Roman Catholic Church have been described as the only two groups within the country which did not bow to Peron's former 10-year dictatorship. Since the revolt the Navy has continued to hold an influential position within the government. Units of the fleet have been kept outside the capital and marines and naval personnel have been stationed in Buenos Aires to help maintain stability. With this increased responsibility and voice in the government it is only natural that the Navy has wanted a fairer share of appropriations to equalise those of the other armed forces, and before the end of 1955 the Navy had regained most of its former prestige. The Maritime Prefecture was returned to the Ministry of the Navy and is being reorganised to fulfil its original mission of jurisdiction over port, coastal, and river areas; the marine corps and naval air arm are also being reorganised

and given additional duties; the Argentine Antarctic Institute and the national shipyards also were returned to navy control; and efforts have been made to obtain naval and marine corps equipment, including an aircraft-carrier, submarines, planes, and base installations. Twenty-two F4U5 aircraft have been ordered for the naval air arm and other types are also desired in order to strengthen their capabilities for internal defence, anti-submarine warfare, and to keep in step with jet aviation progress throughout the world. Spending on shore establishments was cut down in order to provide more funds for fleet operational requirements. During the past year the employment of the new icebreaker GENERAL SAN MARTIN assisted the annual naval expedition to the Antarctic and increased operational capabilities, established a new naval base, General Belgrano, at Piedrabuena Cove in the Weddell Sea, just 800 miles from the South Pole (78°S., 39°W.), and set up several radio and oceanographic stations in anticipation of the 1957-58 International Geophysical Year.

In Brazil, as in Argentina, the Navy played an important part in political developments, though on the losing side. The Navy upheld temporary President Carlos Luz in the "prophylactic coup" led by Minister of War, General Lott, on 11th November, 1955. Aside from some shifts in top billets and a few resignations there have been no reprisals against the Navy; in fact, President Kubitschek has asked the United States for the loan or gift of an aircraft-carrier, probably as a peace-offering to the Navy. The Brazilian Navy considerably improved its capabilities during 1955 by means of frequent training cruises and exercises. Under Vice-Admiral (now Admiral) Carlos Penna Botto (Commander-in-Chief of the Fleet from September 1954 to November 1955) the fleet was at sea longer than at any time since World War II. From 3rd January to 6th February 1955, extensive manoeuvres were carried out, involving exercises in refuelling at sea, convoy problems, simulated submarine attacks, air-sea communications, shore bombardment, torpedo attacks, and anti-aircraft and surface



gunnery exercises. The A.S.W. exercises were hampered by the lack of modern submarines, but negotiations with the United States for the loan of two fleet-type submarines were completed and delivery of the ships is expected in 1956. The replacement of Brazil's three O.S.S. by two modern units should permit more realistic A.S.W. training and a consequent improvement in capabilities. Work continued on the Val-de-Caes naval base near Belem which is eventually intended to provide fleet support for operations in northern Brazil. The lack of repair and other facilities in the area was found to be a great hindrance to United States and Brazilian ships on convoy and patrol duties off the Brazilian "bulge" during World War II. Plans were advanced for several other minor bases, though comparatively little work was accomplished due to the economic crisis which faced the nation. A new marine corps training centre opened on an island in Rio de Janeiro Bay, with modern buildings and equipment and pleasant surroundings.

The Chilean Navy has taken advantage of its political connections to push its naval development. Efforts in this direction have brought forth diversified results and have increased the Navy's capabilities in spite of inadequate appropriations during a severe economic crisis. Among these accomplishments the Navy completed its first year of administration over Easter Island. Budget appropriations were approved for the construction at Mejillones of a new naval support base for operation and training of fleet units, and for the expropriation of land to construct a new naval hospital at Talcahuano. A modernisation programme utilising Chilean shipyards which began in 1954 under the bilateral military assistance pact with the United States, continued to improve the old destroyer and PT type ships. Two old destroyers, three destroyer escorts and one patrol ship have received new A.S.W. armament, fire control and electronics. Improved facilities for training in the various technical and operational fields have also been provided under M.D.A.P. As an added stimulus to training, the naval high command pushed the negotiations for the construction of the new naval



academy. This construction, which was authorised by Presidential decree in January 1956, is to increase the current maximum enrolment of 435 students to 750. Authorisation was also given to Vickers Armstrongs for the construction of two destroyers in British shipyards. The ships, which are to be named the WILLIAMS and the RIVEROS, are to be equipped with modern radar and communications equipment, and delivery is expected sometime in 1958. The order for this construction was given only after the Navy reluctantly decided to place in inactive status the old battleship ALMIRANTE LATORRE which has long been considered a symbol for gun power in South America. The Navy's annual Antarctic expedition included assistance in the construction of a new base in Pendulum Cove at Foster Bay on Deception Island, and a new airfield to be used by light planes and helicopters on the shore of Sovereignty Bay, Greenwich Island, in the South Shetland group. This activity is in anticipation of the 1957-58 Geophysical Year. The order for the construction of a new icebreaker which has been given to West German shipyards has also increased the Navy's operational capabilities. Delivery is expected in 1958. Although not of direct naval interest, a Presidential decree authorised a 100 per cent increase in all Chilean port tariffs to improve and develop existing port facilities.

The Peruvian Navy continued to implement its development programme in 1955. The construction of two additional submarines of the MACKEREL Class was begun for Peru by the General Dynamics Corporation in Groton last October. Vice-Admiral Saldias, then Minister of Marine, who was instrumental in giving this contract, was present when the keels were laid. National interest has also centred around improving installations and shipbuilding facilities at the naval shipyard in Callao. The Navy Industrial Services engaged several British technicians to direct this expansion and in October the keel of the

6,000-ton oil tanker ZORRITOS was laid. Improvement has also taken place in their training and operational procedures which have been assisted by United States naval personnel.

No significant new units were added to the Venezuelan Fleet during 1955, though the destroyer ARAGUA was completed in Great Britain and delivered early in 1956. One of the six coastal destroyers building in Italy was also completed late in 1955, but was still undergoing trials. The Navy continued its energetic training policy and almost one-fourth of the naval officers attended a school of some sort in Venezuela or abroad. With the help and advice of the United States Naval Mission the Navy's training schools also continued to improve.

Colombia signed a contract in Sweden for the construction of two destroyers of the HALLAND Class to be delivered in 1957, and Ecuador has purchased from Great Britain two HUNT Class escorts with which to improve their Navy's patrol of the 200-mile territorial waters which they claim.

Thus, for most Latin American Navies, 1955 was a red-letter year which brought new ships and orders for new construction, expanded base and training facilities, and a general improvement in capabilities.

(O.N.I. Review)

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CAIRO RADIO,

It may be recalled that in his series of articles dealing with his expulsion from Jordan, Glubb Pasha laid emphasis upon the harmful effect of the propaganda broadcasts by the Cairo Radio Station.

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Cairo Radio has now increased its propaganda output to the extent that it must now be regarded as a most effective instrument of Egyptian propaganda, directed not only to Middle Eastern Countries but to North African and East African Countries also.

The Station's equipment comprises nine transmitters operating on medium wave and three on short wave. The power employed is considerable, that of some of the transmitters being of the order of 100 kilowatts.

Egypt has many advantages in her propaganda campaign. Firstly, the Egyptians have been natural experts in the publicity business since the days of Pharoah; her revolutionary government carries political prestige, and there are many other factors which assist her in the field of propaganda, for example, the academic standing of Cairo in Islamic affairs; the typographical superiority of Egyptian newspaper and periodical presses over those in surrounding countries; her domination of quasi-intellectual Arab societies; the activities of her official, technical, military, sporting and student missions, and the creation of numerous news Agencies. Also she has the great advantage of being the centre of the Arab entertainment world, with all the most popular film and radio stars at her disposal. All these combine to form a formidable force in Egypt's relations with the Arab States and assist her in her aim to dominate the Arab League, although they are less effective in the wider fields of Islam and Africa.

Israel is the principal objective of Egyptian propaganda and Egypt is tirelessly presented as the Arab champion against her. In the campaign against Israel three purposes are served. Egyptian hegemony in the Arab world is asserted; Moslem opinion in the rest of the world is aroused and dominated; and the campaign against Western imperialism is furthered.



Egyptian propaganda in the Sudan has been directed at undermining British influence and drawing the Sudan into the circle of Arab nations. Propaganda against the Baghdad Pact is aimed primarily at assuring Egyptian domination of the Arab world; Iraq is seen as a threat to her leadership. There seems little doubt that the propaganda directed at Jordan played a big part in influencing Jordan not to join the Baghdad Pact.

Not content with directing propaganda at Middle East Countries, Cairo Radio has long been active in its attentions to French North Africa, its propaganda being primarily aimed at evicting the French and uniting the Western Arab provinces with the rest of the Arab world. It has also meddled consistently in Zanzibar, Kenya and Tanganyika internal political issues.

Aden as a symbol of British colonialist and imperialistic policy has also long been the subject of attack by Cairo Radio.

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#### THE PANAMA CANAL.

The Panama Canal is a lock and lake type canal  $50\frac{3}{4}$  miles in length extending from Balboa (the Pacific entrance) to Cristobal (formerly a part of Colon) on the Caribbean Sea. On the Atlantic side the lift is made at Gatun Locks and on the Pacific side at Pedro Miguel Lock, at the Pacific end of the Gaillard Cut, and two at Miraflores Locks. The channel ranges in width from 300 to 1,000 feet. Depth varies but is not less than 41 feet in sea level sections or with surface of Gatun Lake. The average time of passage through the Canal is from 7 to 8 hours. In 1954 the number of transits through the Canal totalled 7,784.

On either side of the Canal is a strip of land extending five miles from it, but not including the cities

of Panama and Colon, which remain in the Republic of Panama; this territory is known as the Panama Canal Zone and is U.S. sovereign territory.

The construction of the Panama Canal was authorized under the United States-Panama Convention of 1903. It was provided under this Convention that the United States was the sole owner of the Canal, but under the Hay-Pauncefote Treaty of 1901 signed by the United States and Great Britain the Canal was to be free and open to vessels of all nations without discrimination against any nation. There was, however, no provision in the Hay-Pauncefote Treaty guaranteeing free passage in war, and both in the First World War and the Second World War the United States prohibited ships of the enemy and allies of the enemy from passing through the Canal. The Canal, incidentally, was opened to commerce on 15th August, 1914.

Under the 1903 United States-Panama Convention the United States acquired from Panama a lease in perpetuity for the use, control, and occupation of the territory comprising the Canal Zone. Fortifications were permitted under the Convention and they have been in existence since 1912.

The Canal is maintained and operated by the Panama Canal Company, which is an agency and instrumentality of the United States Government. Its principal offices are in New York and in the Canal Zone, and its staff comprises 3,860 United States citizens and 10,951 persons of other nationalities.

The President of the Panama Canal Company acts also as Governor of the Canal Zone, and as a matter of executive arrangement, the Secretary of the U.S. Army represents the President of the United States in the administration of its affairs.

Although the Republic of Panama continues to be sensitive over United States rights in perpetuity (equivalent to sovereign rights) in the Canal Zone, it remains on friendly terms with the United States and any serious pressure upon the United States would most probably originate from countries outside the Western Hemisphere.

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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