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SECRET

# Australia Station Intelligence Summary



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Naval Intelligence Division  
Navy Office  
Melbourne

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## S E C T I O N I.

### R.A.N. AND OTHER COMMONWEALTH NAVIES.

(Except where otherwise indicated, all the information contained in this Section is UNCLASSIFIED.)

#### (a) ROYAL AUSTRALIAN NAVY.

##### R.A.N. Participation in Olympic Games.

During the period of the Olympic Games, Melbourne witnessed one of the greatest naval invasions in the port's history when some 20 Units of the R.A.N., R.N., U.S.N., and Italian Navy visited the port.

The R.A.N., besides providing three ships, WARRAMUNGA, SWAN and SPRIGHTLY, for Yachting control and starting duties, made available, at the request of the Games Organising Committee, more than 1000 men for duties as ushers, guides and crowd ~~controllers~~ at the various sporting venues.

The Royal Australian Navy band took part in the memorable opening ceremony which was witnessed by more than 100,000. The band, which gave an impressive display of precision marching and counter-marching, received an ovation from the immense crowd.

Many of the ships were open to public inspection; H.M.A.S. MELBOURNE being easily the most popular as it afforded the people of Melbourne their first opportunity to visit the ship which bears the City's name.

A gesture appreciated by the visiting ships was the provision of TV sets by a local radio retailer, who installed the sets and maintained them at his own expense.

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##### Papua New Guinea Division of R.A.N.

An interesting sidelight on the little-publicised



Papua-New Guinea Division of the R.A.N. is contained in a recent Report of Proceedings from the Naval Officer-in-Charge, North East Australian Area.

On the return journey to Lombrum from Ponam Island, where a picnic party was landed, the engine of a P.N.G.-manned launch, MARINGO, broke down and could not be restarted. The Report continues :-

"After taking stock of the situation, the P.N.G. coxswain, Leading Seaman Muyu, observed that an almost westerly drift was being made and, which from their position, would carry them into the open sea. He therefore improvised a most effective sea anchor in the form of a canvas drogue constructed from an old piece of canvas with a couple of spreaders. This considerably reduced the wind drift during the afternoon.

About nightfall he noticed an off-shore breeze and decided to rig two jury sails, by using the drogue canvas and another piece of canvas which he found on board; by this means he sailed the MARINGO a distance of approximately two miles towards the passage into Ponam, where he arrived about 2200.

When nearing the Island, the wind freshened considerably and difficulty was being experienced in controlling the emergency sailing arrangements, resulting in frequent drifting periods, and, as he was approaching the reef in complete darkness, it was extremely difficult to determine the true position accurately.

To prevent beaching the MARINGO on the reef and to act as a guide to the depth of water, a  $1\frac{3}{4}$  cwt. sinker was taken from the bilge, where it was used for ballast, and it was secured to a section of the anchor chain, then suspended over the side of the MARINGO to a depth of approximately 20 feet. After touching bottom with



the sinker the anchor was laid out and the sinker laid on the bottom at short stay to assist in holding. It was in this position that they remained until found by the M.S.L. on the following day."

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#### Presentation of Plaque to H.M.A.S. WAGGA.

On 20th November, the people of Wagga, N.S.W., through their Community Advancement Committee, presented a plaque to H.M.A.S. WAGGA. The presentation was made by Mr. J.A. Karofilis, Chairman of the Wagga Chamber of Commerce, to the Captain of WAGGA, Lieut.-Commander J. Scott-Holland, R.A.N.

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#### Flinders Naval Depot War Memorial Chapel.

While in Australia last November, the Second Naval Member of the New Zealand Naval Board, Commodore C. H. Campbell, D.S.C.\*, R.N., unveiled a stained-glass window in the War Memorial Chapel at Flinders Naval Depot. The window was presented to the Chapel by the R.N.Z.N. in recognition of the wartime association between the two Services and in appreciation of the training facilities for New Zealanders which are provided at the Depot.

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#### Minesweeping Exercises.

H.M.A. Ships JUNEE, FREMANTLE and KARANGI carried out minesweeping exercises off the West Australian coast during December. JUNEE and KARANGI rendezvoused with FREMANTLE, who was returning from Darwin.

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(b) ROYAL NAVY.H.M. Ships KENYA and LOCH FADA - Overseas Service.

H.M.S. KENYA arrived at Portsmouth in November, after one year's service abroad. During this time she steamed over 55,000 miles and visited the West Indies, the U.S.A., several countries in Latin America, Tristan da Cunha, the Union of South Africa, Madagascar, Mozambique, Kenya, the Red Sea and Persian Gulf.

H.R.H. the Duchess of Gloucester, who launched the KENYA, was at Portsmouth to welcome this ship's return.

When the A/S frigate LOCH FADA entered Portsmouth Harbour on November 8th, she had been away from her home port for exactly 365 days, serving in the Indian Ocean and Persian Gulf. She had steamed over 42,000 miles since commissioning in June, 1955.

During her period abroad, H.M.S. LOCH FADA conveyed Archbishop Makarios from East Africa to the Seychelles, assisted a ship running out of fuel in bad weather in the Indian Ocean, and while on her way home had the honour of escorting the Royal Yacht BRITANNIA in which H.R.H. Princess Margaret was embarked, from Zanzibar to Dar es Salaam.

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Launching of H.M. Submarine RORQUAL.

The second of the post-war operational submarines of the new PORPOISE Class, H.M.S. RORQUAL, was launched at the Barrow-in-Furness Shipyard of Messrs. Vickers Armstrongs on 5th December.

The dimensions of the submarine and her diesel generator engines are similar to those of H.M.S. PORPOISE,

launched last April.

The same high standard of accommodation for the six officers and sixty-five men introduced in the PORPOISE will be incorporated in the RORQUAL.

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#### Royal Navy Olympic Squadron.

Ships of the Royal Navy's Olympic Squadron which arrived in Melbourne on 21st November, visited other Australian ports during the Olympic Games.

The squadron comprised the cruiser NEWCASTLE and the destroyers CONSORT and COCKADE, from the Far East Station and the H.M. Submarines THOROUGH and TELEMACHUS based at Sydney. H.M.S. NEWCASTLE wore the flag of the Flag Officer, Second-in-Command Far East Station (Rear-Admiral W. K. Edden, C.B., O.B.E.).

CONSORT and COCKADE visited New Zealand after leaving Melbourne, whilst NEWCASTLE returned direct to the Far East Station.

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#### Nylon Barrier Saves Aircraft.

A nylon crash barrier prevented a Sea Venom all-weather strike/fighter aircraft from crashing over the side when it was found impossible to lower the aircraft's arrester hook.

The incident occurred on 25th November in H.M.S. EAGLE, operating in the Mediterranean, and it is believed



to have been the first occasion on which a nylon barrier has been used to arrest a jet aircraft landing on an aircraft carrier.

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(c) ROYAL NEW ZEALAND NAVY.

H.M.N.Z. ENDEAVOUR.

On 29th December, members of the New Zealand Antarctic expedition, led by Sir Edmund Hillary, held a belated Christmas celebration, while their ship H.M.N.Z.S. ENDEAVOUR was slowly crunching her way through thick pack ice near the 70th parallel.

The weather on Christmas day was too rough to permit normal festivities.

The expedition dined sumptuously on chicken soup, roast chicken, green peas, asparagus tips and roast potatoes, then strawberries and cream.

Drinks to suit all tastes, including white and red wines, were served with the meal.

The sun emerged about midnight from a haze which had accompanied the ship for a week.

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S E C T I O N II.NAVAL AND OTHER ARMED FORCES INTELLIGENCE,INCLUDING TECHNICAL INTELLIGENCE.

(Except where otherwise indicated, all the information contained in this Section should be regarded as SECRET).

U.S.S.R.Atomic-Powered Icebreaker. (Unclassified.)

The Soviet News Agency, "Tass", has reported that the world's first atomic-powered icebreaker is now under construction in a Leningrad shipyard. It will be of steel construction, 439 feet long, with an 88-foot beam, of 16,000 tons displacement and powered by a 44,000 h.p. engine.

"Tass" claims that "the assembly is by an unusual method: the ship appears to be growing from the middle. The steel sections of the hull are being erected along an invisible axis. This is the so-called pyramidal method of assembly, the newest idea in shipbuilding. It does away with the need for welding inside steel constructions, and the possibility of distortion of the hull during assembly is avoided".

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J A P A N .Launching of Submarine-Chaser. (Unclassified).

The Mitsubishi Shipbuilding Company launched, on 26th November, the 370-ton Submarine-Chaser HAYABUSA. This is one of the eight Submarine-Chasers authorised

under the 1955-56 Budget allocation and laid down in March 1956.

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COMMUNIST CHINA.

Riga Class Destroyer Escort in Commission.

The first Chinese-built Riga Class destroyer escort is now definitely in commission and is at present working-up.

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BURMA.

Negotiations re Algerine Class Minesweeper.

Negotiations are being conducted between the Burmese Government and the Admiralty for the acquisition of H.M.S. MARINER for the sum of £Stg.82,000.

During his visit to Burma last year the First Sea Lord offered the Burmese an Algerine Class minesweeper at a greatly reduced price.

Commissioning of Patrol Boat.

During October the first of the five fast patrol boats which arrived from England in June was commissioned.

A fire in the electrical equipment and leaks developing in the fuel tanks have necessitated new components being sent from the U.K.

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INDONESIA.Development of Hydrographic Service. (Restricted).

It has been announced that the Indonesian Ministry of Communications intends to call tenders for two hydrographic vessels which will be purchased under Indonesia's Five-Year Plan.

Since the withdrawal of the Dutch Navy, Indonesia has had only a small nucleus of an administrative and technical organisation on which to build its own hydrographic service.

The two existing Indonesian survey vessels, each of about 1,000 tons, are at present restricted in operation by lack of skilled personnel, finance and the apparent lack of a central shore organisation capable of co-ordinating hydrographic data and issuing charts and amendments necessary for normal navigation.

Maintenance and improvement of Indonesian ports will require periodic surveys of harbours and approaches, and these can only be carried out by adequately equipped hydrographic ships. Dutch charts of Indonesia will remain generally adequate for coastal navigation, but charts of harbours, river mouths and estuaries will become quickly out of date.

It is reasonable to assume that charted depths in major ports will have been recorded by local harbour authorities, but, unless Indonesia can establish an efficient hydrographic organisation, navigation to the ports is likely to become increasingly difficult.

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U. S. A.Guided-Missile Cruisers.

U.S.S. GALVESTON (CL) is undergoing conversion to be capable of firing guided missiles. She will have one launcher aft. The following cruisers, all 6-inch Cleveland Class, are also to be converted:- LITTLE ROCK, OKLAHOMA CITY, PASADENA and PROVIDENCE.

FORRESTAL-Class Carriers.

The keel of the sixth ship of this class is expected to be laid at the New York Naval Shipyard in September. She will be named CONSTELLATION.

Nuclear Submarines.

A great deal of trouble has been experienced with the nuclear power plant of the submarine SEAWOLF. After a delay of some three months it was hoped to re-commence basin trials in December 1956. The main trouble appears to have been caused by the corrosive action of liquid sodium.

It has been reported that later classes of submarines will have the NAUTILUS power plant and the ALBACORE hull.

Nuclear-Powered Carrier.

It has been reported that the nuclear powered carrier, on which initial planning has commenced, will have a displacement of approximately 85,000 tons and will be powered by eight pressurised water-type nuclear reactors, giving her a speed of about 35 knots.

Such a ship poses many problems in the initial stages, as she can proceed at high speed for long



periods and is not capable of refuelling her escorts. In this respect design work is reported to be proceeding for a nuclear reactor for destroyers and destroyer escorts. The large ship reactor is suitable for cruisers and above and can be installed singly or in varying numbers.

#### Guided-Missile Frigates.

The U.S.N. has awarded a contract for the construction of two guided-missile frigates (DLG). They will be similar to ships of the same type in last financial year's shipbuilding programme: length overall 512 feet, extreme beam 50 feet, light displacement 3,900 tons.

The vessels will be equipped with Terrier guided-missile batteries aft and five-inch batteries forward. They will be used primarily as anti-aircraft defence for high-speed task forces, screening other ships by intercepting enemy aircraft at ranges unsuitable for conventional weapons. They will also have modern A/S equipment.

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S E C T I O N III.EXTERNAL POLITICAL, POLITICO-MILITARY AND ECONOMICINTELLIGENCE.

(This Section contains both SECRET and CONFIDENTIAL information).

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U. S. S. R.Political Leadership.

Recent events within the Soviet orbit, particularly in the European Satellites, draw attention to a struggle for ascendancy among pressure groups within the Kremlin.

It seems that Khrushchev's influence, while still strong, shows signs of waning; in fact one authority considers that he is temperamentally unsuited for a long term in office and, for this reason alone, may be in eclipse.

It will be recalled that Bulganin and Khrushchev achieved leadership following the fall from favour of Malenkov over his sponsorship of a policy to provide more consumer goods at the expense of a reduction in the development of heavy industry. Further moves in the struggle for power within the Kremlin forced Khrushchev to debunk Stalin and into agreeing that there was, possibly, more than one road to Socialism. The implementation of this policy resulted in certain relaxations in secret police control, allowing elements seeking freedom to come to the surface; particularly in the Satellites but also, to a lesser extent, within the Soviet Union itself. The resultant unrest has given the pro-Stalin element in the Kremlin, represented principally by Molotov and Kaganovitch, an opportunity to reassert itself.



Other factions too, may become active: one is represented by the ex-Prime Minister, Malenkov, and the other by Mikoyan. Bulganin, who appears to be a much more astute leader than Khrushchev will, no doubt, seize any opportunity which offers to consolidate his power.

### Soviet/Japanese Joint Declaration.

The Soviet/Japanese Joint Declaration on trade and relations between the two countries was reported by Moscow Radio to have been ratified by the Soviet Praesidium on 9th December.

Negotiations towards the conclusion of this agreement have taken place over a considerable period of time, and while it does not fully represent what the Japanese had hoped to gain in concluding an agreement with the Soviet Union, it is recognised as the best that could be obtained.

The repatriation of Japanese held in the U.S.S.R. since the end of the Second World War probably will be the first tangible result of ratification.

Long-term results are certain to include a steady broadening of trade.

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J A P A N .

### New Prime Minister.

Mr. Tanzan Ishibashi, a former journalist and latterly Minister for Internal Trade and Industry in the Hatoyama Government, was elected on 15th December as President of the Liberal-Democratic Party in succession to the former Prime Minister, Mr. Hatoyama, who has now retired.



Mr. Ishibashi automatically takes over the Prime Ministership, as his Party constitutes the present Government with a term of two years to run.

Mr. Ishibashi, who is 72 years of age, has written many books on economic subjects. He is described as being hard-headed and inflexible. Although a steadfast advocate for development of trade with Communist China and the Soviet Union, he supported a strong stand against the Soviet Union during the recent peace negotiations.

#### Atomic Power Plant.

The Japanese are known to be intending to establish an atomic power plant and initially they have shown a preference for the British Calder Hall type over one of American design for which the Philippines are negotiating.

It is now reported that the Soviet has entered the field with an offer to build an atomic power plant for the Japanese.

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#### COMMUNIST CHINA.

##### Sinkiang Oil Refinery.

A Chinese Communist press report states that the Tu-shan-tzu oil refinery in Sinkiang is being expanded to cope with the needs of the Karamai oilfields. The extensions are expected to be completed in March, when the capacity is to be three times that of to-day.

The present output of this refinery is estimated at 50,000 tons a year. On this basis the increase in output would be 100,000 tons, which is equivalent to about  $7\frac{1}{2}\%$  of China's production from all sources and is thus of some significance.



### Scientific Information Bureau.

The Chinese Academy of Sciences has set up a Scientific Information Bureau to collect, study and report on scientific developments and achievements in China and other countries. The Bureau will be a clearing house for scientific information in China, and will study, in particular, scientific research and organisation in Western Europe and America.

This Bureau fills an obvious requirement in China's scientific organisation, and demonstrates that China is proceeding with its policy of using the best of Western science, irrespective of ideology.

### Extension of Credit to Nationalists by Bank of China.

The Hong Kong branch of the Bank of China is believed to have been instructed to extend credit to Hong Kong businessmen (including Chinese Nationalists), even if trade with Communist China is not involved. This report provides evidence that the Chinese Communists are using accumulated funds in Hong Kong to extend influence over the local Chinese, irrespective of political affiliations.

### Atomic Power Station Planned.

It is reported that Communist China is planning to build, with Soviet assistance, a 10,000 k.w. atomic power station. This is probably the experimental reactor promised by the U.S.S.R. in early 1955 and believed to be designed for 6,500 to 10,000 k.w.

Chinese nuclear scientists and technicians are understood to be undergoing training in the U.S.S.R.

The joint nuclear research institute at Dubna (near Moscow), for which Communist China provides 20% of the expenses, will provide a large part of the initial research needed for a Chinese nuclear energy programme.

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L A O S.

Political.

The acceptance of Pathet Lao leaders into the Royal Government has been shelved by the Prime Minister, who intends to concentrate on constitutional problems for the present.

This turn of events was probably brought about by the firm attitude of the U.S. in regard to the Pathet Lao. It has been made clear to the Laotian Government that U.S. aid would cease in the event of integration of Pathet Lao leaders which, no doubt, caused second thoughts in Laotian intentions.

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M A L A Y A.

New Chinese Party.

Opposition to the policy adopted by the leadership of the Malayan Chinese Association has crystallised into the formation of a new party, the Malayan Chinese Socialist Party. This party has not yet been registered but has already two branches in the Federation.

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I N D O N E S I A .Sumatra Revolts.

On 20th December the first of three coups d'etat took place in Sumatra, when a regimental commander in the Central Province, Lieutenant-Colonel Ahmad Hussein, seized power in a bloodless rebellion, and broke with the Central Government.

To administer the Province he set up the Banting Council, which is composed of veterans and Army officers, and of which he is Chairman.

This declaration of independence was followed two days later by Colonel Simbolon's coup d'etat in North Sumatra. He was officially replaced by his Chief-of-Staff, Colonel Djamin Ginting, who imposed his (and Djakarta's) authority on the Province six days later (28th December). However, it is believed that Ginting can only command the loyalty of one-fifth of the military forces in North Sumatra. The others give their allegiance to Simbolon, who, with some military units, has fled to the Tapanuli jungles.

Except for some units of the Indonesian Air Force (Mustang fighters and B25 bombers) sent to Medan to help Ginting reinstate the Central Government's authority, the Indonesian Government has not resorted to force to stamp out the rebels. However, some ports in North Sumatra have been closed to shipping by the Central Government and an attempt to blockade the whole of Sumatra may well be in the offing.

Prior to Simbolon's deposition, South Sumatra broke with the Djakarta Government, and established her own Governing Board.



The Sumatra revolt is believed to be inspired by traditional anti-Javanese feelings. The rebels have announced that Sumatra desires a greater degree of autonomy and a larger share in the taxes which her oil resources help provide. They have declared their loyalty to President Soekarno, but demand the resignation of the Ali Government.

The coup d'etat may also be a retarded flickering of the intended Army Revolt, which was planned to take place on 15th November against the Chief-of-Staff of the Defence Forces, Major-General Nasution, but which fizzled out.

Simbolon is the last of the three powerful Territorial Commanders who supported Colonel Lubis, Deputy Chief-of-Staff, in the latter's opposition to Major-General Nasution.

The Government has by no means got the upper hand of the revolt, even in North Sumatra, where, indeed, it is feared that civil war may break out.

The rebellion has also caused greater dissension within the Indonesian Central Parliament. The Masjumi (Moslem Party) are demanding the formation of a new Cabinet, preferably under the former Vice-President, Hatta. The Nahdatul Ulama (Conservative Moslem) want a reshuffle of Cabinet positions, and the I.P.K.I. (Veterans' Party) has withdrawn from the eight-party Cabinet.

Meanwhile the Communist Party, taking advantage of the PNI (Nationalist) Government's isolation, is insinuating itself by supporting its efforts to suppress the rebellious Army leaders.

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S E C T I O N   I V .AUSTRALIA STATION INTELLIGENCE.

(Except where otherwise indicated, the information contained in this Section is UNCLASSIFIED).

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ESPERANCE (W.A.) - DEVELOPMENTAL PLANS.

The U.S. Chase Syndicate has reached agreement with the Western Australian Government concerning the purchase and development of 1,500,000 acres of land in the Esperance area.

It is expected that the area will be divided into about 600 separate holdings which will be made available for private purchase. The area extends about forty miles either side of Esperance.

This development will naturally mean a large increase in activity in the port of Esperance. Long-range plans for the development project include the construction of a superphosphate works and a meatworks. Business generally should expand and once the area is in production there will be a consequent increase in shipping. There is already some talk of the establishment of a rail connection through the Southern areas.

Other projects for the port include efforts to obtain the shipment of copper concentrates from Ravens-thorpe, salt from Widgiemooltha, and pyrites from Norseman.

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FREMANTLE HARBOUR IMPROVEMENTS.

Wharfage: Present indications are that the new No.10



Berth, North Wharf, will be available for limited use in February. This berth is an extension by 653 feet to the eastward - or up-river - of North Wharf to the limit imposed by the location of the railway bridge. An unusual method was used in the construction in that the pile driving, deck sheeting etc., were carried out 'dry' and dredging undertaken later.

At the present time all pile-driving and deck work have been completed and crane and rail tracks are being laid. A transit shed 500 feet by 100 feet is in the course of construction. It is planned to have the berth dredged to 36 feet by June 1957.

Slipway: Plans have been announced for the construction of a new 600-ton slipway in Fremantle Harbour adjacent to the existing 2,000-ton slip. The construction of a new slip has become necessary because of heavy demands on the existing slipway and the gradual deterioration of the smaller slipway on the north side of the harbour. Provision has been made in the plans for extension of the slip to 1,000 tons if necessary. Work will commence early in the new year. The estimated cost is £80,000.

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WESTERN TITANIUM LTD.

The above company is at present constructing a large plant to treat mineral sands at the township of Capel, south of Bunbury. Construction is well under way and large quantities of machinery are being installed. Four high-intensity rolling type separators to extract the less magnetic minerals have arrived and four electrostatic separators to separate conducting and non-conducting minerals are expected shortly. Twenty-four magnetic separators have been imported for the extraction of the highly magnetic ilmenite.



Value of the separators is estimated at over £100,000. The company hopes to commence production early in 1957.

Two major chemical companies are reported to be interested in establishing branches at the port of Bunbury.

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#### ILMENITE SANDS - BUNBURY.

The first shipment of ilmenite from a recently formed company at Bunbury will be made next month. This will be a cargo of 4,000 tons for Tasmania for use in the manufacture of titanium paint pigments. The company is operating on the Eastern side of Koombanah Bay and estimates that up to 200,000 tons of ilmenite could be available from the beach sands. Much of the equipment used, including a magnetic separator, has been locally designed and constructed.

Overseas shipments will commence in January with a consignment to Japan, where a 24,000 tons order has been confirmed.

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#### A L B A N Y.

New Berth: It is expected that the second berth at the New Wharf will be completed in June. All concrete piles have now been driven and some of the decking has been laid.

It is hoped to commence work on the cargo transit shed on completion of the second berth.

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FREMANTLE - COCOS ISLAND CABLE.

The Cable Ship "RECORDER" arrived at Fremantle from Singapore on 19th November to engage in the task of laying two replacement cables for the first 60 miles of the Fremantle - Cocos Island Cable.

Electronic repeaters to be installed during the next twelve months will speed-up the transmission of cables.

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NEW STEEL MILL AT KWINANA, WESTERN AUSTRALIA.

The new steel rolling mill twelve miles south of Fremantle erected by the Broken Hill Pty. Co. Ltd., on a site adjacent to the Kwinana oil refinery has been officially opened. The mill can produce more than 150 sizes and types of merchant steel sections.

The project, which includes a large jetty and an adjoining plant to make steel fence posts, cost £3 $\frac{1}{2}$  million.

The mill produces more than 100 tons a shift, and is providing employment for 90 men on a one-shift-a-day basis.

The fence post plant began production in April, 1954, and the steel mill rolled its first bar on 16th July, 1956 - well ahead of schedule.



NEW COMPANY FORMED TO RECLAIM STEEL.

A combined Australian and American company, Brechett Pty.Ltd., has been formed by W. E. Bramble & Sons (Transport) Co. Ltd., of Newcastle, and the Hackett Engineering Co. of U.S.A. to reclaim scrap from slag dumps at the Newcastle and Port Kembla steelworks owned by the Broken Hill Pty. Co. Ltd., and Australian Iron & Steel Ltd., respectively.

In the past this slag has been used to fill in wasteland.

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BAUXITE DEPOSIT ON CAPE YORK PENINSULA.

With reference to A.S.I.S.No.46 a subsidiary of Consolidated Zinc Pty. Ltd., known as Enterprise Exploration Company, has a base for prospecting operations in the area.

The large Canadian firm of Aluminium Ltd., has also formed a subsidiary to prospect for bauxite in the area. This subsidiary, Aluminium Laboratories Ltd. is registered in Queensland and has an authority to prospect covering an area of 1,690/square miles on the western side of the Peninsula.

Press reports have indicated that a deep-sea port may be constructed at Duifken Point; that a jetty is being constructed in Embley River, with consideration to the subsequent dredging of the river bar, and that the Cook Shire Council would assist the Company to construct a road from Weipa Mission to Portland Roads for the transshipment of ore.

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WHALE PRODUCTS PTY. LTD.

Whale Products Pty. Ltd., has leased No.1 Tank at the former Oil Fuel Installation at Lytton, Brisbane River, for the storage of whale oil. The jetty, pumping equipment and residence are also on lease to them. No.2 tank still contains Royal Navy submarine cable.

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NEW BERTH, BRISBANE RIVER.

A new berth has been constructed at Hamilton adjoining and downstream of the wharf leased to the Broken Hill Proprietary Company Ltd. It is known as Messageries or Nixon Smith Wharf, Hamilton.

On 22nd August, 1956, the depth of water alongside, at L.W.O.S.T., at the downstream end, was 27 feet and 30 feet at the upstream end. The length of the wharf is 500 ft, and it is provided with a steel-framed cargo shed, 420 feet long, with a clear width of 75 feet. Access to the wharf is by road only.

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NORTHERN TERRITORY.Darwin Pearling Fleet - Employment of Asiatics.

Permission has been granted by the Commonwealth Government for the employment of two additional Japanese or Ryukians per lugger.

The additional Asiatics will be introduced at the beginning of the next pearling season.



### Salvage of Wrecks in Darwin Harbour.

Early in October a Darwin salvage engineer, Carl Atkinson, sold four wrecks to the Nanyo Bocki Kaisha Co. Ltd. of Tokio for £30,000. The wrecks in question are the MEIGS, MAUNA LOA, ZEALANDIA and PEARY. All four ships were sunk during the first Japanese air raid on Darwin in February, 1942. The Japanese firm intends to bring its own labour, equipment etc. from Japan and the workmen will live in Darwin while salvaging the wrecks. However, at present it is the intention of the Japanese owners to employ local truck owners and waterside workers to load the scrap metal won from the wrecks.

### Northern Territory Rice Project.

The head of the American interests in Territory Rice Ltd., the Managing Director, and their advisers recently inspected the rice project at Humpty Doo, near Darwin. They expressed satisfaction with the progress made with regard to rice and were particularly impressed with the possibility of growing cotton as a dry-season crop. Experiments in this field have been conducted along with sorghum, small grain, peanuts, tobacco, garden vegetables and fruit. Further experiments of the best type of cotton might have to be made.

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### NEW CALEDONIA.

#### French Naval Forces in the Pacific.

As a result of South Vietnam having gained her independence (although still remaining in the French Union), French Naval Forces in the Far East have now transferred their base from Saigon to Noumea.



These Forces will now be known as French Naval Forces in the Pacific, and they are under the command of Rear-Admiral Toulouse Lautrec.

French Naval units in the Pacific comprise the Sloops "FRANCIS GARNIER" and "DUMONT D'URVILLE" and the gunboat "TIARE". The Sloops will later be relieved by new Sloops undergoing construction in France.

Seaplanes will also form part of the French naval forces based on Noumea.

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#### SHIPPING INFORMATION.

##### Sale of Australian Ships to Far East Interests.

A further five Australian merchant vessels have been sold to Far East interests. The John Burke Ltd. vessel "ELSANNA", which operated on the Queensland coast, has been sold to Chiap Hua Shipping Co. of Hong Kong and renamed "FLYING DOVE", and the "CALEDON", owned by Australian Steamships Pty.Ltd., has been sold to the Hong Kong Chiap Hua Manufactory Co. (1947) Ltd. Both vessels departed Sydney (the latter in tow) on 27th November for Hong Kong via Townsville and Tarakan.

The vessel "MATTHEW FLINDERS", owned by H.C.S. Coasters Pty.Ltd., has been sold to John Nurminen of Helsinki and renamed "PIRRKO NURMINEN". The vessel departed Sydney on 29th November for Adelaide and Fremantle to load grain for Colombo.

The two vessels "CARCOOLAH" and "COOLABAH", owned by the Australian Coastal Shipping Commission, have been sold presumably to John Manners and Company



and renamed "TEES BREEZE" and "TROON BREEZE" respectively. The "TEES BREEZE" departed Sydney on 10th December for Lyttelton and it is expected that the other vessel will depart in the near future for the Far East.

M.V. "CENTURY".

The new motor vessel "CENTURY", built in Aberdeen for Australian Steamships Pty.Ltd. arrived at Port Kembla on 27th November on her maiden voyage from the United Kingdom. Particulars of the vessel are as follows:-

Tonnage:	Gross.	4,245
	Net.	2,054
	D.W.	5,500
Dimensions:	Length.	335 feet.
	Breadth.	50 ft. 3 ins.
	Depth.	26 ft. 6 ins.
Cargo Space:	4 holds fitted with steel rolling type hatch covers.	
Derricks:	8 - 3 ton.	
Crew accommodation:	36	
W/T and Navigational Aids:	Radar, W/T., E.S., D.F.	
Machinery:	3 cyl. Ailsa-Doxford diesel 2,300 b.h.p.	
Service Speed:	12 knots.	
Generators:	4 - 100 k.w.	

Royal Inter-ocean Lines.

The Royal Inter-ocean Lines recently announced the expansion of shipping services based on Australia. The new service will be to Mauritius and Africa and will be undertaken by four new vessels, the first, the "STRAAT COOK", having recently completed her maiden voyage.

This is the third new service, based on Australia, opened by the Royal Inter-ocean Lines in the last two and a half years. The other two serve Netherlands New Guinea, North Borneo and Thailand, and Ceylon, Western India and West Pakistan. In all, sixteen ships are employed in these services.

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SECTION V.SPECIAL ARTICLES.

(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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THE AZERBAIJAN SOVIET SOCIALIST REPUBLIC. (Confidential).

The Azerbaijan Soviet Socialist Republic is situated in the South-Eastern part of Transcaucasia South of the Caucasus Mountain Chain and between the Black and Caspian Seas. The republic includes the Nakhichevan Autonomous Soviet Socialist Republic and the Nagorno-Karabakh Autonomous Region and occupies an area of some 33,345 square miles. It has a population estimated at about three-and-a-quarter million people, three-fifths of whom are of Irano-Turkic origin and known as Azerbaijan Turks. Other nationalities are Armenians, Georgians and Russians.

Azerbaijan was, in ancient times, part of a country known as Media and was called the "Land of Eternal Fires". It was first known as Azerbaijan during the Fifteenth Century, when it emerged as an area inhabited mainly by a people of Irano-Turkic origin, speaking a mixture of the two languages and adhering to the Shiite (Iranian) form of Islam. It came under Russian influence during the Eighteenth Century and alternated between Russian and Iranian influence with a short period of independence until 1920, when it was proclaimed a Soviet Socialist Republic and, together with the other Transcaucasian States of Georgia and Armenia, formed the Transcaucasian Soviet Federal Socialist Republic. In 1936, Azerbaijan assumed the status of one of the sixteen republics of the Union of Soviet Socialist Republics.



Within its borders Azerbaijan includes the South-Eastern spurs of the Caucasus Mountain Chain, which terminate in the Aspheron Peninsula, the easternmost section of the Armenian Plateau or Lesser Caucasus, and, in the extreme South-East, the Talysh Range and the adjacent Lenkoran lowland. The basic central portion of the republic is formed by the extensive lowland drained by the Kura River and its chief tributary, the Aras River.

The surrounding mountain belts isolate Azerbaijan from the moisture-laden winds blowing from the Black Sea, with the result that the climate is of a dry Continental nature, varying considerably depending upon elevation. The central lowland is a dry steppe with a hot climate; agriculture requires irrigation. The mountainous areas have a lower average temperature and there is considerable precipitation. Farming (including fruit growing and viticulture) is practised in the valleys and foothills. Sub-tropical conditions prevail in the Lenkoran lowland.

The main branch of the Azerbaijan economy is the petroleum industry which is centred around Baku, the capital. Until recent years the Baku oil region produced more than 50% of the petroleum and oil products produced in the U.S.S.R., but it has now been eclipsed by production in the Volga and Urals regions. However, Azerbaijan is still the third largest individual oil-producing area in the Soviet Union.

Azerbaijan has also copper, chemical, cement and building material, food, timber, salt, textiles and fishing industries. Apart from Baku the most important industrial centres are Kirovabad, Nakha, Stepahabad, Nakhichevan and Lenkoran.



This rich area, together with the other Transcaucasian republics of Georgia and Armenia, is separated from the U.S.S.R. by the natural barrier of the Caucasus Mountain Chain and is vulnerable to attack. However, notwithstanding this fact, Azerbaijan and the other two Transcaucasian republics form in turn a useful springboard for an attack against Middle East oil-producing countries. The Azerbaijan S.S.R. is served by two railways which skirt the Caucasus Mountains: one along the Western coast of the Caspian Sea and the other along the Eastern coast of the Black Sea. These railways join across Central and Southern Transcaucasia. In the South the railway runs close to, and parallel with two-thirds of the Soviet border facing Turkey and Iran and would facilitate the rapid concentration of sufficient forces for an offensive against Iran and for a campaign designed to occupy the oil fields of Iraq and Saudi Arabia. It is believed that the U.S.S.R. normally maintains considerable forces in the Transcaucasian area.

It is a matter for some confusion that the north-western province of Iran still retains the name Azerbaijan; but, as will be seen, this article deals with the Azerbaijan S.S.R.

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#### NUCLEAR POWER FOR COMMERCIAL PURPOSES. (Unclassified)

An article in a recent issue of the journal, "Petroleum Press Service" attempts to assess (in what may be an under-estimate) the extent to which nuclear power could displace the use of oil in the United Kingdom and Western Europe in the foreseeable future :-

"In the short term, say up to about 1960," the article states, "the possible contribution of atomic



power is negligible. In the U.K., the only western country where a full-scale programme of building commercial nuclear power stations is yet under way, the construction of each station is at present expected to take about three years. The number of stations which could be built simultaneously within the next few years is strictly limited by the availability of suitable industrial capacity and of scientific and skilled manpower, also by the need to accumulate experience, and to allow for the assimilation of continuing progress in research. By the end of the succeeding five years a more significant contribution from atomic energy may be expected.

It is now hoped that the 12 commercial nuclear power stations being built under the U.K.'s 10-year programme will provide a generating capacity by 1965 of about four million k.w. or twice that originally anticipated. This would be equivalent to 10 per cent of the U.K.'s electricity generating capacity expected at that time, and to only about 4 per cent (in terms of coal equivalent) of the country's expected consumption of all forms of energy.

In recent weeks (owing to the Suez Canal crisis) the further possibility has been mooted also that more stations might be built to raise the U.K.'s commercial nuclear power capacity by 1965 to perhaps six million k.w., although no official announcement to this effect has been made.

However, no effort comparable to that in the U.K. is yet being made in other individual West European countries. The Euratom plan, under which the six countries of the Schumann Plan would combine their atomic energy efforts under a supra-national control, and the looser co-operation envisaged in this field for the O.E.E.C. countries as a whole, will doubtless both assist in accelerating progress in the future.



But both these schemes are still in the discussion stage and seem at present unlikely to offer the hope of quick and radical action.

So far as present indications go, therefore, the prospective contribution of nuclear power to Western Europe's energy requirements over the next ten years is virtually confined to the U.K. programme. This programme offers the possibility of saving other fuels, if we take the highest figure publicly canvassed - of six million k.w. nuclear power capacity - to the extent of some 15 to 20 million tons of coal or, say, 10 to 13 million tons of oil by 1965.

Taken out of context, this saving sounds considerable. But in relation to Europe's oil supply problem it is of little more than marginal importance.

Why is it that no greater contribution from ~~atomic~~ power can at present be foreseen? Although nuclear power in its earlier stages is notoriously expensive in terms of capital costs it is not a question of finance.

The U.K.'s whole construction programme for 12 stations by 1965 is estimated to cost £300 million or the equivalent of an average of £30 million a year. Research outlays additional to this were running a year or two ago at some £50 million a year exclusive of weapons research. But the financial requirements are not enormous. The Central Electricity Authority's capital outlays on conventional generating plant and other capital items during last year alone exceeded £200 million. What is more, the U.K. hopes that by 1965 she will be building atomic power stations with a capital cost close to that of coal-fired stations.

Thus, the obstacles to a still greater acceleration of the U.K.'s atomic power programme would seem



to lie not in finance but rather in limited physical industrial capacity of the specialised character required, in the difficulties of expanding supplies of scarce materials needed for reactor construction, and especially in the limited availability of suitable scientific and technical manpower."

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SOVIET MILITARY AID TO EGYPT. (Unclassified)

The following extracts from a speech by the British Foreign Secretary delivered in the House of Commons show the extent of the military aid given in recent times to Egypt by the U.S.S.R. :-

"We had known of substantial sales to Egypt of Soviet arms. Before the (Suez Canal) operation they had been reckoned to be of the value of about 150 million pounds sterling. As a result of the information now in our possession it appears that Egypt has received 50 IL 28's (Twin jet bombers equivalent to Canberras) 100 jet swept-wing fighters, 300 medium and heavy tanks, 5,100 self-propelled guns, 200 armoured personnel-carriers, and 500 pieces of artillery. Also a great variety of other military equipment including rocket-launchers, Bazookas, plastic mines, small arms, radar, wireless, etc. In addition, 2 destroyers (2,500 ton Skory class fleet destroyers), 4 Minesweepers, 20 M.T.B's and a number of smaller vessels. There was also the probability or the possibility that some small submarines were to be provided. It would appear that Egypt was being equipped by the Soviet Union for full-scale military operations.

Certain information has been published from Israeli sources since these operations. They stated that in Sinai they captured 1,500 military vehicles,



more than 600 armoured personnel-carriers, more than 250 pieces of artillery, 30 T.34 tanks, a number of self-propelled guns, 200 Czech anti-tank guns and 7,000 tons of ammunition. This equipment was captured in a campaign which involved about one-third of the Egyptian army. It takes no account of other Soviet equipment. In particular, we know that the 60 Josef Stalin heavy tanks were held back from the final battle in Sinai. Another interesting fact is that much of the 7,000 tons of ammunition was for a type of Soviet gun none of which was captured in Sinai. We were told that great quantities of arms and equipment are still scattered throughout the desert. Some of the rifles and machine-guns found were of the latest Soviet Bloc models and were still unpacked in the grease in which they arrived. In addition to these large dumps of ammunition, there was the very curious find of over one million blankets.

The Egyptian Army consisted of before the operation of about 80,000 men, and one wonders what was the purpose of these very large deliveries of equipment of one sort and another. In our own restricted operation in Port Said some 30 self-propelled Soviet guns were found, together with a considerable variety of other Soviet equipment. Our information is that the amount of equipment found was far more than necessary to equip the Egyptian Army. The broad outline of much of this was known to us or guessed by us before the operation took place. What has happened as a result of that operation is that the magnitude of the Soviet penetration has been revealed. It had permeated every branch of the Egyptian armed forces, and, as Egypt is a military dictatorship, that meant that the Communist influence was in a position to have a dominating effect upon events."

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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