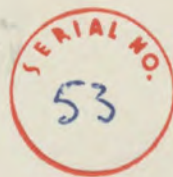


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SECRET

# Australia Station Intelligence Summary



DATE OF ISSUE..... 8 MAY 1957 .....

*Naval Intelligence Division  
Navy Office  
Melbourne*

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C O N T E N T S .

Page.

<u>SECTION I.</u>	<u>R.A.N. AND OTHER COMMONWEALTH NAVIES.</u>	
(a)	<u>Royal Australian Navy.</u>	
	SEATO Maritime Exercise "Astra"	1
	H.M.A. Ships QUICKMATCH and QUEENBOROUGH.	2
	New A/S Frigates for R.A.N.	3
	H.M.A.S. JUNEE.	3
(b)	<u>Royal Navy.</u>	
	Future Developments in the R.N.	3
(c)	<u>Royal New Zealand Navy.</u>	
	Orders placed for two new frigates.	5
	H.M.N.Z.S. ROTOITI Recommissions.	5
<u>SECTION II.</u>	<u>NAVAL AND OTHER ARMED FORCES INTELLI- GENCE, INCLUDING TECHNICAL INTELLIGENCE.</u>	
	U.S.S.R.	6
	Japan.	8
	Communist China.	8
	North Vietnam.	9
	South Vietnam.	10
	Indonesia.	10
	U.S.A.	11
<u>SECTION III.</u>	<u>EXTERNAL POLITICAL, POLITICO-MILITARY AND ECONOMIC INTELLIGENCE.</u>	
	U.S.S.R.	13
	Japan.	13
	Communist China.	13
	South Vietnam.	15
	Malaya.	16
	Indonesia.	16

C O N T E N T S . (Cont'd) ii.

Page.

SECTION IV. AUSTRALIA STATION MISCELLANEOUS  
INFORMATION.

Portland Harbour Development.	18
Production of Aluminium Foil.	19
U.S. Naval Visits to Australian Ports.	19
Australian Shipbuilding Board Activities.	20
Northern Territory.	21
Extracts from H.M.A.S. JUNEE'S Report of Proceedings.	22
New Caledonia.	24

SECTION V. SPECIAL ARTICLES.

State of Affairs in Jordan.	25
Pakistani Armed Forces.	27(a)
Ngo Dinh Diem.	28
The Indonesian Oil Industry.	30

## SECTION 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.

##### 1. S.E.A.T.O. Maritime Exercise "Astra".

Commencing April 24th, Naval units from Australia, the United Kingdom, France and U.S.A. carried out Phase 1 of the S.E.A.T.O. maritime exercise "Astra" between Singapore and the Gulf of Thailand.

Rear-Admiral W. K. Edden, C.B., C.B.E., Flag Officer Second-in-Command, Far East Station, flying his flag in H.M.S. NEWCASTLE, was in tactical command.

The first phase of "Astra" was designed to exercise ships and aircraft in weapon and seamanship training, and a variety of exercises was successfully carried out, including the defence of naval surface units against air and submarine attacks, convoy protection, and replenishment.

NEWCASTLE and H.M.A. Ships TOBRUK, ANZAC and WARRAMUNGA carried out high-speed gunnery shoots against towed targets.

On Friday, 26th April, the force split into two groups, viz:- (a) MELBOURNE, WARRAMUNGA, COCKADE, U.S.S. A.C. COCKRELL and U.S.S. SPANGLER; and (b) NEWCASTLE, CONCORD and U.S.S. GEORGE. Group (a) carried out A/S exercises with H.M. Submarine AUROCHS, and Group (b) carried out gunnery and torpedo firings.

Following the afternoon exercise, the naval units again divided into two Forces (Orange and Blue) for a night encounter exercise. Orange Force consisted of

MELBOURNE, QUEENBOROUGH, QUICKMATCH, WARRAMUNGA, CHEVIOT, COCKADE, CONSORT, U.S.S. GEORGE, U.S.S. SPANGLER and U.S.S. COCKRELL, and represented an enemy convoy trying to supply one of its garrisons ashore (Pulau Tioman), whilst Blue Force, made up of NEWCASTLE, TOBRUK and ANZAC, had to encounter and destroy this convoy.

The ensuing exercise was marred by an unfortunate accident in TOBRUK, which resulted in the death of one rating and serious injury to another. A star shell fired by COCKADE hit TOBRUK and, passing through the upper deck, caused minor damage in "B" gun bay and the above-mentioned casualties. TOBRUK was immediately withdrawn from the exercise and proceeded to Singapore to land the injured rating.

Gannet aircraft from MELBOURNE, and Singapore-based R.A.F. aircraft also took part in the first phase of "Astra".

After remaining at Pulau Tioman for the week-end, the participating ships sailed on 29th April for further exercises. A separate group of ships of the S.E.A.T.O. naval force, F.S. FRANCIS GARNIER, H.M.N.Z.S. KANIERE, H.M.T.S. TACHIN, H.M.T.S. PRASAE, H.M.S. CARDIGAN BAY and the U.S. Submarine SPINAX exercised in the north of the Gulf of Thailand.

\* \* \* \* \*

## 2. H.M.A. Ships QUICKMATCH and QUEENBOROUGH.

During exercises north of Pulau Tioman with units of the Far East Fleet in March, QUEENBOROUGH and QUICKMATCH took part in a bottom search for the wrecks of H.M. Ships PRINCE OF WALES and REPULSE. The wreck of PRINCE OF WALES was located by QUEENBOROUGH (with QUICKMATCH in company) in position  $3^{\circ}34.6' N, 104^{\circ}26' E$ . Some eight miles to the north-west, the wreck of

REPULSE was found by H.M. Ships CHEVIOT and COCKADE.

\* \* \* \* \*

3. New A/S Frigates for R.A.N.

The first section of one of four new pre-fabricated fast A/S frigates to be built for the Royal Australian Navy was placed in position on the slips at the Naval Dockyard, Williamstown, on Tuesday, 9th April.

The hull of the frigate, known at present as No. 04, was pre-fabricated in sections in the Dockyard workshops and it is expected that the vessel will be launched shortly after the assembly and welding are completed next year.

Two frigates will be built at Williamstown and two at Cockatoo Island Dockyard.

\* \* \* \* \*

4. H.M.A.S. JUNEE.

JUNEE arrived at Fremantle on 18th April from patrol duties in Northern Australian Waters.

During March she visited Port Moresby, Madang, Manus and Samarai. Some extracts from her Report of Proceedings are contained in Section IV of this issue of A.S.I.S.

(b) ROYAL NAVY.

5. Future Developments in the R.N.

The First Lord of the Admiralty recently made an explanatory statement of the Naval Estimates which

gave the following information regarding future developments in the R.N., as a result of the new U.K. defence programme.

Four new fleet escorts are to be fitted with the anti-aircraft guided missile "Sea Slug". The design for these vessels has now emerged as larger than the present conventional types of escort. In the list of naval strength they are shown immediately after cruisers, ahead of both Darings and the Apollo Class of fast mine-layers. They will have a very powerful armament and an endurance which will give them considerable capacity for operating on their own.

H.M.S. GIRDLE NESS, the experimental guided weapon ship, fired her first test missile, from which the sea-to-air guided missile is being developed, in September.

H.M.S. VICTORIOUS is due to complete her modernisation this year. She will have the equipment and facilities to arm her aircraft with air-to-air guided weapons, will be the first carrier in service with the fully angled flight deck, and will have a new radar and landing control system.

The three TIGER Class cruisers, which are to replace the eight cruisers at present in the active Fleet, will start coming into service in 1959. Their armament will include fully automatic 6-in. and 3-in. guns.

The four KING GEORGE V Class battleships - the KING GEORGE V, DUKE OF YORK, ANSON, and HOWE - will be scrapped this year.

The Supermarine day fighter, the Scimitar (N113), which will be able to carry an atomic bomb, is expected to join the Fleet by the middle of 1958. No date is given for the arrival of the de Havilland Sea Vixen



(DH110) which has fired its air-to-air guided weapons under test conditions, nor for the new strike aircraft, the NA39, which is described as under development.

(c) ROYAL NEW ZEALAND NAVY.

6. Orders Placed for Two New Frigates.

Orders for the R.N.Z.N.'s two new WHITBY Class frigates have been placed with Messrs. J.I. Thornycroft (Southampton) and Messrs. J.S. White (Cowes), respectively.

It is expected that the frigates will be launched in October and December, 1958, respectively, and will commission and sail for New Zealand in mid- 1960.

\* \* \* \* \*

7. H.M.N.Z.S. ROTOITI Re-commissions.

H.M.N.Z.S. ROTOITI recommissioned at Auckland on 28th February after being in Reserve Fleet since her return from the Korean area in March, 1953. One of her first assignments will be to act as a weather ship for the forthcoming nuclear tests at Christmas Island.

\* \* \* \* \*

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.

1. New Class of Fast Patrol Boat.

A new class of Soviet Fast Patrol Boat has been sighted. The boat is fitted with hydrofoils which are visible at the fore-end, but may also be fitted aft. Propulsion appears to be through the medium of some form of gas turbine; there may be three screws with a gas turbine on the centre shaft and diesels on the wing-shafts.

The hull is approximately 70 feet long, and the vessel carries four twin M.G.'s and two 21 inch torpedoes. Speed unknown but probably up to 40 knots or more.

2. Alterations to KRONSTADT Anti-Submarine Vessel.

A KRONSTADT in a modified form has been sighted. The funnel has been removed (as has most of the armament) and there is a new small superstructure aft. Numerous whip aerials are the most conspicuous feature. There is insufficient evidence to estimate the precise function of this new class, but it is possible that it may represent some form of flotilla-leader or H.Q. ship.

3. "Q" Class Submarines - Propellers.

It is now definite that "Q" Class Submarines are fitted with three propellers. These are thought to be small and would produce a lower silent speed than was at

first anticipated.

This surprising number of propellers places some doubt on the type of propulsion machinery fitted.

#### 4. Soviet T.A.S. Weapons.

Until recently, there has been little indication of the extent to which the Soviet Navy pay attention to A/S weapon development. The depth charge remained as the sole A/S weapon, although the British Hedgehog was supplied to Russia during the war as lease-lend. However, in a number of RIGA Class escorts, a 24 spigot fixed arrangement is mounted on the centre-line abaft "B" gun. This weapon appears to be identical with the British Hedgehog.

Another weapon which is suspected of being for A/S purposes has been seen in KRONSTADT A/S escorts and KOLA Class escorts. All that has been seen in the two latter classes is the base mounting, situated abreast each side of "A" gun; - this is about 8 ft. by 4 ft. by 1 ft. 6 ins. high, and is usually covered in canvas. In the KRONSTADT this has been seen uncovered, and rising from this base, at an angle of about  $45^{\circ}$ , are six barrels or rails. It is thought that this weapon is probably for A/S purposes and that the projectile may be rocket-propelled. There is no indication of the removal of depth-charge equipment with the advent of more modern weapons.

A further weapon in use by the Soviet Navy is a new mortar-barrel type Depth-Charge Thrower. The length and diameter of the barrel into which can be loaded the standard Soviet depth charge type B-1 are about 4 ft. 6 ins. and 1 ft. 6 ins. respectively.

This weapon has been seen (covered, so far) fitted as follows :-

- KOTLIN's 3 in number on each side of the quarterdeck inboard of D.C. stowage racks, abreast of each other and are side-throwing.
- RIGA's 1 in number, as for KOTLIN's but in line with the muzzle of "Y" gun.
- SKORY's 1 or 2 in number as for KOTLIN's, in addition to the normal D.C.T's.

It is possible that corresponding vessels in the Chinese Communist Navy will be fitted with similar equipment in due course.

\* \* \* \* \*

J A P A N .

5. Guided Missiles from U.S.A. (Unclassified)

In connection with the recent report that the U.S.A. have agreed to provide Japan with some guided missiles providing she passes her "Defence Secrets Preservation Bill", it is interesting to remark that Japan's first home-made guided missile was launched recently and observers considered it was many years behind Western progress in this field.

\* \* \* \* \*

COMMUNIST CHINA.

6. Naval Conference at Peking.

A Conference took place in Peking in February and was attended by 488 naval activists and representatives of units of the Chinese Communist Navy which had made out-

standing contributions to the defence of the territorial waters of the motherland during 1956.

The Conference opened with a speech by the Commander-in-Chief of the Chinese Communist Navy, Admiral Hsiao Ching-Kuang, who called for elevation of the level of technology of the Navy and increased vigilance to safeguard the territorial waters and socialist construction of the motherland.

It was claimed that during 1956 the Navy trained 3,800 "outstanding" cadets, 3,500 "advanced" workers and 18,000 "outstanding" technicians. Even leaving out the superlatives, these figures appear high. They may include merchant seamen and the marine corps, the existence of which, however, is not certain.

#### 7. Military Cuts.

Recently it was announced that the Armed Forces Budget would be cut by one-third this year.

The resulting savings would be used to provide funds for economic construction, with the probable result of slowing the Armed Forces' modernisation programme and adversely affecting China's military capabilities.

Communist China now claims that the number of Servicemen demobilised in 1957 will exceed the number enlisted.

\* \* \* \* \*

NORTH VIETNAM.

#### 8. Vietminh Navy.

It is reported that the Vietminh Navy now consists of four patrol units each of one patrol vessel and ten

armed motor launches, whose task is primarily to intercept refugees attempting to escape to the South.

Patrol areas are reported to be :-

Mon Cay to Hongay.  
 Hongay to Do Son.  
 Do Son to Sam Son.  
 Sam Son to Ben Thuy.

\* \* \* \* \*

SOUTH VIETNAM.

9. Visit to U.S.A. of Naval C.-in-C.

Captain Le Quang My, C-in-C of the Vietnamese Navy, accompanied by three Staff Officers, left Saigon on 15th March for a three-weeks tour of U.S. Naval Establishments.

It was originally intended that Captain My and his party would also visit the U.K., and in fact Admiralty approval had been obtained, but the Vietnamese General Staff failed to approve the visit.

\* \* \* \* \*

INDONESIA.

10. Naval Construction. (Restricted).

The second of two frigates being built for the Indonesian Navy has been launched at the Ansaldo Shipyard, Leghorn.

She is the 950-ton SULTAN HASANUDDIN, a sister ship of PATTIMURA, launched some time ago at the same yard and now being fitted out.

SULTAN HASANUDDIN is 243 feet long, with a beam of 33 feet, a speed of 22 knots, and is similar to ships being built for N.A.T.O. countries. The vessel is equipped with two 3-inch dual-purpose guns and four Bofors; the anti-submarine weapons are believed to be Hedgehogs.

Two light destroyers (1,300 tons) are also being built in Italy for the Indonesian Navy. They are to be fitted with Squid.

\* \* \* \* \*

U. S. A.

11. Guided Missile Submarines. (Confidential).

Three submarines, U.S.S. TUNNY, CUSK and CARBONERO, the former capable of firing the "Regulus" guided missile and the other two capable of controlling it, are being transferred to Pearl Harbour. They will be under the operational control of Guided Missile Unit 50.

12. Automatic Control Landing System. (Unclassified).

An Automatic Control Landing System has been developed by the Bell Aircraft Company, designed to land an aircraft in low visibility or zero weather.

More than 1,200 landings have been made on land and tests are to be made in an aircraft carrier.

The system consists basically of a computer and special radar set on the ground and a reflector on the aircraft. Instrument landing systems at present installed in aircraft are suitable for use with the system but the Bell Aircraft Company has developed an automatic controller which they claim is more accurate.

13. Operational Flight Trainer. (Confidential).

The first Universal Digital Operational Flight Trainer (UDOFT) is being developed by the Office of Naval Research. It is capable of simulating a wide variety of aircraft including the most recent supersonic fighters.

The system is centred around a new large-scale digital computer of great flexibility, speed and accuracy which makes it possible to shift the trainer from the simulation of the flight of one aircraft to the flight of another, as well as to change the flight conditions or aerodynamic characteristics to test their effects on the flight of the simulated aircraft and the response of the pilot.

The trainee pilot, sitting in the cockpit of the trainer, has in front of him the instruments and controls with which he would operate the aircraft in actual flight. The trainee's instructor has a duplicate set of controls and instruments at the computer panel from which he can determine what the trainee is doing. He can also introduce new conditions such as engine failure, air turbulence, storms, etc., which the UDOFT translates into appropriate readings on the cockpit instruments. The effect of the pilot's actions to correct the new conditions are shown in the instruments on the control panel.

It is understood that the UDOFT computer eventually will be able to solve equations for several cockpits simultaneously, allowing a group of trainees to receive simultaneous instructions either in independent flight, in formations, or in simulated combat.

\* \* \* \* \*



S E C T I O N III.EXTERNAL POLITICAL, POLITICO-MILITARY AND ECONOMIC  
INTELLIGENCE.U.S.S.R.1. Atomic Icebreaker. (Secret).

There is evidence that the first Soviet atomic ice-breaker is being built at the Krylov (ex-Marti) yard, Leningrad.

\* \* \* \* \*

J A P A N .2. Super-Tankers. (Unclassified).

"UNIVERSE COMMANDER", sister ship to the 84,730-DWT "UNIVERSE LEADER", was launched by National Bulk Carriers at Kure on 31st March, five months after being laid down. She is expected to be completed in May.

Five more of these vessels are scheduled for construction in the next 18 months.

\* \* \* \* \*

COMMUNIST CHINA.3. Economic Situation and Prospects for 1957. (Secret).

During 1956, the Chinese economy expanded at a faster rate than in any previous year, and the attainment of the broad goals of the First Five-Year Plan is now assured. This greatly increased level of activity, however, imposed heavy strains on the economy and created

shortages of essential materials and consumer goods. The necessity to correct these imbalances and rebuild stocks will severely limit the degree of further progress which can be achieved during 1957.

Many of the main industrial products reached their targets a year ahead of schedule, but oil production, at just under 1.2 million tons, was well below expectations.

Even though plans were exceeded, increases in production of coal, iron and steel, timber, cement, electric power and other essential materials proved inadequate and shortages and bottlenecks appeared.

This year is clearly intended to be a year of economic consolidation after the strenuous efforts of 1956. The economy will nevertheless be under great financial strain, the magnitude of which is indicated by reports suggesting that China has curtailed exports to the U.S.S.R. The authorities may be forced to take more positive measures than those currently envisaged in order to keep inflationary pressures in check. Present indications are that, if any further cuts in expenditure become necessary, the authorities will be prepared to postpone some part of their long-range development programme, and the consumer will not be required to bear the whole brunt of the economies.

#### 4. Meteorology. (Secret).

In recent years Communist China has paid increasing attention to her meteorological services and significant improvements have been achieved.

Over 1,000 meteorological stations have already been established and the equipment installed has reached a level comparable with that in Soviet stations. An accuracy of 80% for short-range weather forecasts

is claimed.

China ceased all broadcasts of meteorological information during the Korean War and full broadcasts were not resumed until 1st June, 1956.

The codes now used conform with those of the World Meteorological Office and the information in these broadcasts is of great value in Japan and Hong Kong, particularly in relation to shipping and aviation.

Much progress has been made by the Meteorological Bureau and its main weakness would now appear to be a shortage of first-class personnel rather than of stations and equipment.

5. Possible Deferment by U.S.S.R. of Chinese Debts.  
(Secret)

A report of unproved reliability indicates that the U.S.S.R. has granted deferred payment of Chinese debts, following Chou En Lai's recent visit to Moscow. This concession, which might well be in return for Chinese support of Soviet action in Eastern Europe, could reflect the serious degree to which Communist China's economy has been strained by her 1956 effort under the current 5-year plan.

\* \* \* \* \*

SOUTH VIETNAM.

6. Paracel Islands. (Secret).

It is reported that South Vietnamese troops occupying Pattle Island in the Paracels fired on a Chinese Communist fishing boat, wounding one fisherman.

Pattle Island, in the Crescent Group, is situated on the western side of the Paracels and was taken over by the South Vietnamese from the French in July, 1956.

Woody Island, some 45 miles to the North East has been in Chinese Communist hands for about a year and, until this incident, both occupation forces have kept clear of each other.

\* \* \* \* \*

### M A L A Y A.

#### 7. Trade with Communist China. (Restricted)

Trade between Malaya and Communist China increased substantially both ways during 1956.

Rubber accounted for roughly half of the total value of Malaya's exports to China.

As China has already contracted to buy 50,000 tons of rubber (sufficient for her own requirements) from Ceylon in 1957, increased purchases of rubber from Malaya seem likely only if destined for transshipment to the Soviet Bloc.

As in the case of Hong Kong, the balance of trade is overwhelmingly in favour of China.

\* \* \* \* \*

### INDONESIA.

#### 8. Political Situation. (Unclassified)

The Chairman of the Indonesian Nationalist Party who was appointed by the President as formateur for a

new Coalition Cabinet, failed in his task and the President himself then chose a 23-man Cabinet of "experts" headed by Prime Minister Dr. Djuanda who, with the Foreign Minister Dr. Subandrio, are described as "non-party". Three of the Ministers chosen are considered to be Communist sympathisers without actually being members of the Communist Party.

A representative of the Masjumi (Muslim Party) was included in the Cabinet but without its approval and was consequently expelled from the Party.

This first compromise, whilst not giving way completely to the Army and Muslim Party's demands, may enable Soekarno to re-open Central Government negotiations with the rebellious provinces and so avoid a real threat that Army loyalty to him will fall apart if the stalemate continues.

SECTION IV.AUSTRALIA STATION MISCELLANEOUS INFORMATION.

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

\* \* \* \* \*

1. PORTLAND HARBOUR DEVELOPMENT PROJECT.

Since 1951, when plans were drawn up for the development of Portland as a first-class deep-water port, work has steadily progressed and it is anticipated that by the end of 1959 the following additional facilities will be available:-

- (a) Two general cargo berths - one of which will be equipped for bulk handling; and
- (b) One berth for tankers.

With the main breakwater extending some 2,250 feet, the northerly set which was once experienced by vessels berthing at the Ocean Pier is now non-existent. It is expected that by June, the breakwater will be extended to a distance which will not only afford protection to make Ocean Pier a safe, all-weather berth, but also provide accommodation for deeper draft vessels. The present maximum loading draft is 27 feet 6 inches at the outer end and 26 feet at the inner end.

Three sets of railway lines are planned to serve the breakwater wharves, and already all earthworks and bridges have been constructed to carry the lines to a point where they will connect with the main rail system to Ararat.

\* \* \* \* \*

2. PRODUCTION OF ALUMINIUM FOIL.

Three Companies, Aluminium Ltd., of Canada, ~~British~~ Aluminium Co. Ltd., and Venesta Ltd., both of the United Kingdom, plan to construct an aluminium foil rolling mill in Sydney. The basic raw material will be supplied by the Australian Aluminium Co. Pty. Ltd.

Another plan, also recently announced, envisages the building of a similar aluminium plant by A.R.C. Industries Ltd., of Melbourne, in conjunction with Reynolds Metals Co. of Virginia, U.S.A., with whom negotiations are at present being carried out.

\* \* \* \* \*

3. U.S. NAVAL VISITS TO AUSTRALIAN PORTS.

During the first five months of 1957, 67 ship visits by 40 different U.S.N. war ships will have been made to Australian ports. In all, 844 officers and 12,056 enlisted men will have visited Australia during that period.

The most recent visits have been :-

Desron 9 (U.S.S.'s MANSFIELD, COLLETT, BENNER, DEHAVEN) to Melbourne, thence to Manus en route to Japan early in April.

For Coral Sea Week Commemoration:

To Sydney : U.S.S. BENNINGTON (Comcardiv 5) and Desdiv 211 (U.S. Ships FISHERWOOD, STODDARD, McCAIN, MULLANY.)

To Melbourne: U.S.S. COLUMBUS (Comcrudiv 3) and Desdiv 212 (U.S. Ships AMMEN, COGSWELL, INGERSOLL, BRAINE).

To Brisbane: U.S. Submarines CAIMEN and DIODON.

\* \* \* \* \*

4. AUSTRALIAN SHIPBUILDING BOARD ACTIVITIES.

The following outlines the Australian Shipbuilding Board's recent activities :-

(a) Launchings:-

Vessel MC.54. m.v. "IRANDA" - State Dockyard, Newcastle - 16th February.

Vessel MBC.36. m.v. "LAKE BOGA" - Evans Deakin & Co. Ltd., Brisbane - 2nd March.

Vessel SBC.30 s.s. "LAKE TORRENS" - The Broken Hill Pty. Co. Ltd., Whyalla - 19th March.

(b) The A.S.B. officially handed over vessel BHT.22, s.s. "IRON SPENCER", to the Broken Hill Pty. Co. Ltd., on 26th February.

(c) The Minister for Shipping and Transport has given permission to the Waratah Tug and Salvage Co. Ltd., to import one tug of hydroconic\* design from the United Kingdom. The Minister's approval was given

\* Hydroconic design is a method of ship construction patented in the U.K. for ease of manufacture. All frames are straight and do not have to be bent. Shell plating is all of conical and cylindrical surfaces and hydroconic hull forms usually have one or two chines.



on the condition that the second tug required by the Company would be constructed in Australia.

It is most likely that the second vessel will be built at the new shipyard which (as recently stated in the Press) would be established in Adelaide to build tugs and other light vessels on the hydroconic system.

(d) The Minister for Shipping and Transport has verbally approved of the placing of an order for two 14,000-tons d.w. ore carriers with the Broken Hill Pty. Co. Ltd. When approval in writing is received, the A.S.B. will be notified.

\* \* \* \* \*

NORTHERN TERRITORY.

5. New Darwin Runway. (Restricted).

The new R.A.A.F. Runway at Darwin being built at a cost of £5½ million is nearing completion. The runway is 13,000 feet long and 200 feet wide. A third dimension of 3 ft. 2 ins. depth will allow for the operation of aircraft with all-up weights of up to 180 tons. This depth is made up as follows: sub-base 12 inches of sand and clay, topped with 14 inches of cement stabilised gravel, 8 inches of crushed rock and 2 inch depth of bitumen. However, 6,000 square yards at each end of the runway will have a topping of 16 inches of solid concrete to give maximum resistance to jet blast and damage caused by jet fuel spillage during the "running up" of jet aircraft prior to take off. All materials used in the construction of this runway have been tested for "shrinkage" in relation to local climatic conditions. The job, which will have taken two years to complete, has been carried out by No. 5 Airfield Construction Squadron, R.A.A.F. (Wing Cdr. A. Harrison, O.B.E., R.A.A.F.)

6. Rice Project.

A rice mill valued at £35,000 arrived in Darwin by sea at the end of February for Territory Rice Ltd. It is combined with a drier, which stabilises the moisture contents of the rice before milling. This Company has re-planted, by aerial sowing, a considerable acreage of rice and still hopes to reach its target of a 2,000 acre crop, to be harvested in June.

\* \* \* \* \*

7. EXTRACTS FROM H.M.A.S. JUNEE'S REPORT OF PROCEEDINGS.

These extracts cover JUNEE's recent visits to Port Moresby, Madang and Samarai :

Port Moresby. The Administration provided for our every want. Buses were made available for the Ship's Company and trips organised to the war cemetery at Bomana, to Rouna and other scenic spots. A black driver and an equally black Humber car were placed at the disposal of the Captain, and I was driven to wherever the breathtaking beauty of the country could be best viewed. My driver was proud of the fact that he had driven 'The Duke'. He also told me that many Europeans were killed on the roads, pointing to the remains of cars just visible in gorges below. As he invariably turned completely towards me when speaking, and his comments were usually made as the car approached a hairpin bend, I quickly transferred to the front seat.

Madang. Madang was reached on Wednesday 27th March, and JUNEE secured alongside S.S. COROBANK, port side to. What a marvellous harbour there is at Madang! Approaching from the north, one picks up the settlement and can head for the entrance which is marked on the southern side by a large black and white checked board. Soon the beacon comes into view, and from then on it is perfectly

simple. There are no currents, and the water is deep to the very edge. Sporting facilities at Madang include rugby, tennis, cricket and golf. Time did not permit any organised games, although I did manage to get a round of golf on the excellent course there. This course is quite exotic and runs along the coast fringed by slender palms. But the rough, being jungle, claims forever any ball hit out of bounds. Marlin and other game fish abound in the waters in this area, and it was with reluctance that we departed at 1530 with the smell of copra permeating the air. Shortly after sunset a violent storm with torrential rain overtook us.

Samarai. On Saturday, 30th March, H.M.A.S. JUNEE entered China Strait from the north and berthed port side to the wharf at Samarai Island. The tides at this wharf are unpredictable, and a flag is displayed to indicate the direction. A ship must stem the flag. The approach to berth port side to is called 'the mad half mile' and for good reason, as the currents churn the water into a maelstrom. Strong, sudden rips exist near the wharf, and plenty of power is advisable.

Samarai is an idyllic island. I think the view from the District Commissioner's house, on the peak, is unparalleled. Some 200 Europeans live on its 59 acres. I was invited to a meeting of the local sub-branch of the Returned Servicemen's League. The members, in 'dinkum digger' tradition, removed the tops from their bottles of beer with tobacco tins rather than use a conventional opener.

The hospitality extended by the Samarai citizens was generous. The Samarai Club was opened to the Ship's Company, as were tennis courts and private homes. One family had seven National Service Trainees to dinner."

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NEW CALEDONIA.8. Tontouta Airfield.

The airfield at Tontouta is to be rebuilt by a firm of French contractors.

The first part of the work involves reconstruction of the runway, which will be maintained at its present length of 6,900 feet. The thickness of the runway is to be increased to 3 ft. 3 ins. so as to ~~accommodate jet air~~ liners.

9. Noumea - Fiji - Wallis Island Air Service.

Transports Aeriens Intercontinentaux has instituted an irregular DC3 service between Noumea and Nadi (Fiji) and Wallis Island.

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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1. STATE OF AFFAIRS IN JORDAN. (Confidential)

Since the dismissal in March, 1956, of Lieutenant-General Glubb as leader of the Arab Legion, Jordan had been moving more and more away from the Western Camp into the arms of Egypt (and the Soviet).

The principal evidences of this trend have been :-

- (1) Conclusion in May, 1956, of a Military Agreement with Egypt providing for the co-ordination of military plans in the event of an Israeli attack on any Arab State and for continuing liaison between the military authorities of both sides. There were reports at the time, which the Jordanian authorities have never denied, that a Joint Military Council was to be set up under the Agreement.
- (2) The signing in Cairo by Jordan on 19th January, 1957, with Egypt, Syria and Saudi Arabia of an agreement known as the Arab Solidarity Agreement.
- (3) The termination by Jordan on 13th March, 1957, of the Anglo-Jordanian Treaty of 1948.

It was in an endeavour to arrest the strong move

towards Egypt (and the Soviet) that on 14th April, 21-year old King Hussein dismissed his Prime Minister, Suleiman Nabulsi, who had been largely responsible for the change to an anti-Western policy. In the execution of that policy, Nabulsi had received the support of Major-General Nuwar, Chief of Staff of the Army. Actually, it was Nuwar, then a Lieutenant-Colonel only, who played a large part in the dismissal of Lieutenant-General Glubb, as he was able to exercise considerable influence upon King Hussein, being his senior A.D.C. at the time.

Major-General Nuwar, who had in latter times incurred the disfavour of King Hussein through the development of a strong anti-Western and pro-Egyptian attitude, endeavoured to engineer a revolt against the King, but, while he had plenty of political support, he lacked sufficient support from the Arab Legion. This was clearly demonstrated when, following Hussein's dismissal of Nabulsi, the Bedouin elements of the Arab Legion, which consists of three brigade groups, two armoured-car regiments and a divisional regiment of self-propelled anti-tank guns, supported the King.

Major-General Nuwar was dismissed by King Hussein and fled to Syria, where, two days later he was joined by his successor, Major-General Hiyari, who resigned after publicly swearing his allegiance to the King.

In dismissing Nabulsi as Prime Minister, King Hussein was no doubt influenced by the opportunities offering from United States Aid. In this connection, until the termination by Jordan of the Anglo-Jordanian Treaty, the United Kingdom had been subsidising Jordan at the rate of £12½ million per annum. Under the Arab Solidarity Agreement, Egypt, Syria and Saudi Arabia undertook to make up this amount. Syria had, however, been withholding her payments, maintaining that Jordan should contribute towards the upkeep of Syrian troops

stationed in Jordan as a measure of protection against a possible attack by Israel.

Jordan was created a sovereign independent State as recently as 1946. Prior to the recent political crisis she has had enough trouble on her hands, including the refugee problem (refugees from Israel accounting for 465,000 out of a total population of 1,500,000) and her future, particularly as a Kingdom, seems somewhat uncertain.

The situation in Jordan remains tense, but King Hussein has quite definitely won the first two rounds by taking the initiative before his opponents were ready.

It seemed that Syria and Egypt, probably advised by the U.S.S.R., had hoped to present a coup-d'etat with a rabble rising and the overthrow of the King before Hussein could rally the Bedouin army to his support.

During recent events the attitude of Saudi Arabia has been most interesting in showing that in this purely Arab squabble they were not prepared to let Nasser and his Soviet advisers dethrone an Arab monarch for the advance of Communism in the guise of Arab socialism.

Much will depend on Israel and Iraq keeping out of the picture and the U.S. conviction that the U.S.S.R. is not prepared to intervene and risk a global conflict at this time for the sake of gaining Jordan.

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2. PAKISTANI ARMED FORCES. (Confidential)

The following is a brief outline of the present state of the Armed Forces in Pakistan :-

Army. The Pakistani Army, which is the senior service, is approximately 15,000 officers and 210,000 other ranks strong. It at present consists nominally of one armoured division, six infantry divisions, one independent armoured brigade, two independent infantry brigades and one anti-aircraft brigade. All its divisions lack supporting arms to a varying degree and there is a shortage of transport.

A drastic re-organisation of the Army is now being planned and U.S. Military Aid is supplementing the present equipment, much of which is obsolete. When complete, and trained, the re-organised Pakistani Army of approximately  $5\frac{1}{2}$  divisions will, taking into consideration both personnel and material, be of great potential value.

Navy. The strength of the Pakistan Navy is about 700 officers and 6,500 men. A weakness may be the lack of experienced senior officers, but there are many promising junior officers and the men are excellent material, if properly trained and led.

The fleet consists of 6 destroyers; 3 frigates, 7 minesweepers, a survey vessel and 4 S.D.B's.

Most of the ships and their equipment are becoming obsolescent. A programme of replacement is already under-way with the purchase of four ex-R.N. destroyers. The Pakistanis are also purchasing the cruiser DIADEM from the Royal Navy for use as a training ship. As a prestige item she will help towards offsetting Indian Navy strength. American aid is directed towards providing a small modern minesweeping force and modernisation of shore installations and the newly bought destroyers,



Air Force. The Pakistani Air Force is a five-squadron Force - the sixth squadron (bombers) exists only on paper. Under the U.S. Military Aid programme already under way, the Air Force is now being modernised.

On current planning, the future composition of the P.A.F. will be :-

- 8 squadrons interceptor fighter/bombers (F86's).
- 1 squadron fighter/bomber (Furies).
- 1 squadron transport (Freighters).
- 1 squadron photo reconnaissance.
- 1 flight general reconnaissance.

The Air Force personnel strength is 916 officers (including 175 under training) and 10,835 other ranks (660 under training).

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3. NGO DINH DIEM. (Unclassified.)

An article in a recent issue of "Foreign Affairs" written by William Henderson, an American who is described as "Director of Meetings, Council on Foreign Relations" and who has recently visited South-East Asia, contains an interesting account of Ngo Dinh Diem, President of South Vietnam, and of the difficulties he has overcome in bringing so unexpectedly South Vietnam to its present state of development as an independent nation.

Selected extracts from the article are appended :

"Diem has shown himself a man of courage and determination, capable of ruthless decision and forceful action when the occasion calls for it. His reputation as an implacable Vietnamese nationalist enabled him to rally enough support to consolidate his position in the face of bitter opposition from the Sects, the Communists, and even the French.

"Descended from an old Annamese Mandarin family, Diem was groomed for greatness by his father, who was convinced that one day his son would be the saviour of his country. At an early age he rose to an exalted position at the Court of Hue, but resigned while still in his early thirties in protest against continued French domination. Thereafter he wandered in the political wilderness for more than two decades. Since his name was well known and universally respected, his services were sought by both French and Communists in the early post-war years. He declined a place in Ho Chih Minh's government after the war, and several times rejected French offers to head the anti-Communist regime they were sponsoring at Saigon. When in June 1954 the French and Bao Dai turned to him as the only possible alternative after the debacle of Dien Bien Phu, he finally accepted on condition of a grant of full powers from the ex-Emperor and the French promise of complete independence.

"From the beginning Diem has ruled virtually as a dictator. South Vietnam is today a quasi-police State characterised by arbitrary arrests and imprisonment, strict censorship of the press and the absence of an effective political opposition. Diem and his colleagues have always insisted that these are temporary measures made necessary by the desperate circumstances in which the regime has had to function. But there is little evidence that they have much understanding or sympathy for real democracy. Diem betrays marked irritation when queried about the abridgment of civil liberties in South Vietnam. His conversation reflects an archaic, mandarin temperament. While unquestionably devoted to the welfare of his countrymen, whom he usually refers to as the "little people", he envisages the role of government as essentially paternalistic. At the same time, however, he has endeavoured to develop broad popular support for his government. He has directed his appeal primarily at the masses rather than the intelligentsia, who, he correctly assumed, would be alienated by the dictatorial character of his regime, and on the whole he has had considerable success.

While his record accounts for this more than anything else, Diem has also resorted to many of the time-tested techniques of modern totalitarianism. Public adoration of him has reached startling proportions, and although he professes to be embarrassed by all the fuss, he has done little to stop it.

"A devout Christian, Diem is a lonely, austere man. Early vows of celibacy and a strong sense of personal destiny, combined with an iron constitution, have enabled him to give himself to his work with passionate devotion. In personal encounter he can be a charming person. His only known recreation is conversation, and discussions with him quickly turn into monologues. He is fascinating to listen to. His appraisal of events during the last two years is devoid of the tiresome cloak of false modesty. He knows that he made the difference, and the knowledge has given him confidence in his ability to cope with the future.

"Despite his undoubted personal qualities, however, and the large element of luck that enters into any political enterprise, Diem could never have survived without American financial support. American aid now totals about 65 per cent of South Vietnam's budget.

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4. THE INDONESIAN OIL INDUSTRY. (Confidential.)

The present output of crude oil from Indonesia is about 35,000 tons a day. In terms of total oil production, Indonesia ranks tenth in the world, her 1955 crude production being 11,790,000 tons - 1.5% of the world total.

During 1955, refineries, principally those at Palembang in Sumatra and Balikpapan in Indonesian Borneo,

produced about 9,000,000 tons of petroleum products, most of which were exported to Singapore, Malaya, the Riau Group, Indo China, Thailand, the Philippines, Australia and Hong Kong. In addition about 3,000,000 tons of crude oil a year are being shipped to the Philippines, Australia and Spain.

Imports of crude oil into Indonesia for refining (mainly from the Persian Gulf) amount to about 1,250,000 tons a year and consumption of refined products throughout the Republic accounts for some 700,000 tons per annum.

Successive governments have recognised the importance of the oil industry to Indonesia's economy, particularly as a producer of foreign exchange and an employer of labour. Despite pressure from some sections of the community for nationalisation of the industry, agreements have been concluded with two of the three major producing companies. One of these companies has a programme of capital works estimated to cost \$U.S.80,000,000 between 1955 and 1958, and the other is actively exploiting its oil concessions and expanding its output of crude. Negotiations are proceeding with the remaining large company, whose officials have stated that they are willing to embark on an extensive programme of exploration if a satisfactory agreement can be reached.

The successful future of the Indonesian petroleum industry depends on a vigorous exploration programme aimed at locating new fields to replace those nearing depletion. A realistic and co-operative government policy, together with security from rebel attacks and stable labour conditions, is essential. This particularly applies to the fields in North Sumatra

which, if they could be brought into full production, would add about 1,000,000 tons annually to the country's crude oil output.

The future of the Indonesian oil industry is of concern to Australia, as at present roughly 15% of our petroleum requirements come from these fields. If more Indonesian crude could be made available, the shorter tanker haul compared with the Persian Gulf-Australia run would assist in relieving the present tanker shortage caused by the disturbed conditions in the Middle East.

Netherlands New Guinea fields produced nearly 470,000 tons of oil in 1955, but the output in this area is declining. No refining facilities are available and the crude is now being processed in Australia. The refinery at Lutong in Sarawak treats crude from local fields and exports about 2,500,000 tons of refined products a year. About the same amount of crude is shipped annually, some for refining in Australia.

In the present world crisis, which involves widespread shortages of oil and petroleum products, Indonesian production does not play a very significant role. As has been pointed out, a significant increase in production would involve overcoming a number of limiting factors which cannot be quickly resolved. In consequence, though potentially Indonesia could supply a considerable proportion of the petroleum requirements of the Far East, it is most unlikely that there will be any marked increase in output for some years.

(J.I.B. Melbourne).

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SECRET

Transit List

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