

Mr. Forrytho.

Article on page 30 may
interest you

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Summary

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Mrs. Hans V
Mrs. Blakeney
Mrs. White

SERIAL NO.
5

(New Series)

DATE OF ISSUE 7 AUG 1952

SECRET

Australia Station Intelligence Summary



Mr. Hans V
Mr. Blakeney
Mr. White



(New Series)

DATE OF ISSUE 27 AUG 1952

Naval Intelligence Division
Navy Office
Melbourne

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S E C T I O N I

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

REVIEW OF PRINCIPAL NAVAL ACTIVITIES.

The Flag Officer Commanding H.M.A. Fleet.

F.O.C.A.F. transferred his flag from H.M.A.S. AUSTRALIA to H.M.A.S. SYDNEY on 29th June.

H.M.A. Ships SYDNEY, AUSTRALIA, TOBRUK, SHALHAVEN, WAGGA and COOTAMUNDRA.
These ships remained in Sydney during July for mid-winter leave and refits.

H.M.A.S. ANZAC.

H.M.A.S. ANZAC has been at Williamstown undergoing a refit.

H.M.A. Ships WARRAMUNGA and BATAAN.

Both ships were engaged in patrols in Korean waters. H.M.A.S. WARRAMUNGA left Kure for Australia on 26th July after relief by H.M.A.S. CONDAMINE.

H.M.A. Ships MURCHISON and HAWKESBURY and H.M.N.Z.S. BELLONA.

During the first week of July H.M.A. Ships MURCHISON and HAWKESBURY carried out exercises in Jervis Bay in conjunction with the visiting New Zealand cruiser H.M.N.Z.S. BELLONA. H.M.A.S. MURCHISON later conducted training exercises in the Newcastle-Jervis Bay area. H.M.N.Z.S. BELLONA departed Sydney on 5th July and visited Brisbane and Darwin en route for the United Kingdom. H.M.A.S. HAWKESBURY departed from Sydney on 21st July for Fremantle via Melbourne.

H.M.A.S. CONDAMINE.

H.M.A.S. CONDAMINE departed Sydney on 28th June for Korea calling at Darwin en route on 3rd July.

H.M.A.S. CULGOA.

After her mid-winter leave period in Sydney, H.M.A.S. CULGOA departed on 22nd July for a cruise to Adelaide and Hobart.

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H.M.S. TELEMACHUS.

H.M.S. TELEMACHUS departed Sydney on 25th July for Singapore to undergo a refit.

H.M.S. THOROUGH.

An operational defect kept H.M.S. THOROUGH in Sydney during the month.

H.M.S. TACTICIAN.

H.M.S. TACTICIAN returned to Sydney from Far Eastern waters on 16th July.

H.M.A.S. BARCOO.

H.M.A.S. BARCOO arrived in Darwin from Sydney on 31st July to conduct a hydrographic survey in the Arafura Sea - Thursday Island area.

H.M.A.S. WARREGO.

H.M.A.S. WARREGO remained in Sydney giving mid-winter leave prior to resuming surveying duties in Exmouth Gulf in August.

H.M.A. Ships LATROBE and GLADSTONE.

Both vessels were at Williamstown undergoing minor repairs.

H.M.A. Ships COLAC and COWRA.

H.M.A. Ships COLAC and COWRA visited Launceston and Devonport between 13th - 17th July with National Service Trainees embarked.

H.M.N.Z. Ships INVERELL, KIAMA, STAWELL and ECRUCA.

The New Zealand Naval Board has decided that the four Bathurst class minesweepers which were recently presented by Australia to New Zealand, should retain their original names in commemoration of the gift and in honour of the Australian towns after which they are named.

Steaming Party for H.M.S. VENGEANCE.

Arrangements have been made for the steaming party for H.M.S. VENGEANCE (the Aircraft Carrier to be obtained on loan from the R.N.) to sail in "ASTURIAS". The vessel will sail from Sydney on 27th September for the United Kingdom via Melbourne and Fremantle.

Reserve and National Service Training.

National Service Training is progressing satisfactorily and the second group of 715 trainees completed their 41 months on 4th June.

Approval has been given for the successive call-ups to be named after persons prominent in Australian history. The first two groups have been named "CLAYLAND" and "BURKE" respectively.

R.N.A.S. MURCHISON has been allocated to assist with National Service training.

Defensive Equipment of Merchant Ships.

A staff officer (D.E.M.S.) has been appointed to Navy Office to progress planning and peace-time training to enable the D.E.M.S. Organisation to be effective in time of emergency.

The stiffening at Government expense of Australian merchant vessels can be undertaken in Australia and equipment is being distributed to armament depots near arming ports. A pool of U.K. armament for Imperial Ships to be fitted in Australia in time of emergency is also held in Australia.

Approval has been given for 4 S.O. (D.E.M.S.) to be trained in peace-time and earmarked for duty at the following arming ports: Sydney, Melbourne, Fremantle, Brisbane, and Newcastle.

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EXTRACTS FROM, OR SUMMARIES OF, REPORTS OF PROCEEDINGS.

R.N.A.S. BATAAN'S Activities in Korea during May.

During May, BATAAN, while operating on the West Coast of Korea, worked with four different Task Units and undertook duties which included :-

Air Control ship for R.A.A.F. Meteors at Chodo; direction of U.S. flare dropping aircraft illuminating likely invasion areas at Youmae-do; Joint H.Q. ship for a 7-hour guerrilla daylight raid in Haeju Gulf; salvage operations for a lost U.S. aircraft and a Firefly ditched from H.M.S. OCEAN; landing a doctor on Taeyonpyong-do with serum to vaccinate the Korean population against an outbreak of smallpox; policing a South Korean fishing fleet of 400 junks in Haeju Gulf; eight bombardments during which over 1,000 rounds of H.E. were fired.

Control of Junk Traffic.

As C.T.U. 95.12.4 early in May, BATAAN was required to police 400 Korean junks fishing in Haeju Gulf and concentrated mostly to the north of the key island of Taeyonpyong-do. To prevent enemy junks infiltrating islands during

and the friendly fishing craft were not permitted north of 37 degs 45 mins North and were ordered to anchor during darkness under penalty of being fired on.

Five armed motor junks manned by R. C. A. Marine Corps personnel acted as Police boats and were permitted to move at any time; a system of recognition was devised to prevent them being fired on and voice communication equipment was fitted in the craft to enable communication with headquarters at Taeyonpyong-do. Almost every night a ship of the Task Unit was forced to open fire on junks which ignored their orders.

Operation "Beat Up".

On 12th May, H. M. A. S. BATAAN commenced Operation "Beat Up" which provided a boost to morale after four days fruitless minesweeping.

BATAAN cruised up and down channels in the gulf firing all main armament and 40 m.m. guns at targets provided by friendly guerrilla intelligence and at any opportune targets seen.

An L. S. T. and two minesweepers then joined with BATAAN in bombarding the shore. A few rounds of mortar fire were encountered at the beginning of the operation, but this fire ceased when BATAAN commenced bombarding.

During Operation "Beat Up" BATAAN fired 215 rounds of high explosives and 735 rounds of 40 m.m. ammunition. Subsequent intelligence reports revealed that a large number of buildings, gun positions, bunkers and junks were destroyed, and many enemy troops were killed.

Operation "Round Up".

This operation, planned by friendly guerrilla forces in conjunction with H. M. A. S. BATAAN, consisted of a two-pronged landing by 400 South Korean guerrillas on Konggu hijon Peninsula on 19th May, with close support by BATAAN and air support by aircraft from H. M. S. OCEAN.

At 1035 a preliminary landing by 120 men was made by Junks mounted from Yuk To and supported off shore by BATAAN. This force seized a beach head extending 1/2 mile inland suitable for safeguarding the evacuation point of the main attack force.

The main attack, staged from Chodo at 1200, was sub-divided into three forces. They landed on the invasion point from junks and were supported by gunfire from BATAAN who was also acting as air control ship to OCEAN'S aircraft. Strong enemy counter attacks on one flank were beaten off by BATAAN'S gunfire.

Having achieved their objective the Force reached the evacuation point by 1545 and all troops were safely withdrawn in junks by 1720.

The United Nations Forces lost only one soldier, while at least 150 enemy troops were killed or wounded. Most enemy installations and posts on the peninsula were damaged and a large amount of arms and stores was captured.

In appreciation of ESTAN's part in the operation the Guerrilla Commander presented the Commanding Officer with a trophy, one captive Communist Cow (code-name I.C.C.).

Refuelling.

WARRAMUNGA reports an unpleasant experience while refuelling on 23rd May :-

"While lying alongside the tanker MANATEE and having breakfast with the Captain, a messenger appeared with the news that the forward hose had ruptured and WARRAMUNGA was covered in oil. The poor old ship was a sorry sight - a solid jet of oil fuel from a rupture near the upper trough had completely covered the bridge and all its occupants. I was thankful it was breakfast time as I watched the First Lieutenant, Navigating Officer, Officer of the Watch, Signalman and lookouts wiping oil from their blackened faces and squeezing it from their clothing.

The bridge and flag deck were inches deep and oil poured out of all scuppers on both sides of the forecastle as well as over the ship's side.

MANATEE, as well as she might, quickly produced a tank cleaning apparatus - a jet of high pressure hot salt water - and a start was made washing down.

At the end of the month oil is still oozing out from odd corners, screw holes, joints, etc. and the wooden bridge gratings have the appearance of being stained or varnished.

At the signing of the receipt note (in money) an appropriate adjustment was made to the quantity allegedly supplied but not received in WARRAMUNGA's tanks!"

Chongjin Strike.

On 25th May H.M.A.S. WARRAMUNGA had a ringside seat at a most impressive operation. She provided gunfire support to the U.S.N. battleship IOWA who bombarded dock, factory and railway targets in Chongjin for 11 hours with 14 inch high explosive.

The Commanding Officer H.M.A.S. WARRAMUNGA commented concerning the East Coast operations :-

"It is a never ending source of amazement to me that ships range up the East Coast of Chongjin, which is 220 miles north of the front line, and only 80 miles from the Siberian and Manchurian borders, and no attempt is made by the enemy to deter them with aircraft.

Our daily harassment by two destroyers seems sufficient provocation but I should have thought that this prolonged strike would have brought forth some sort of retaliation."

Showing The Flag.

Some further reports of incidents which occurred during Islands cruise of H.M.A. Ships AUSTRALIA and ANZAC undertaken during May have recently been received.

Throughout the cruise, the native, as well as the non-indigenous population in the Islands, showed a great interest in the ships. At Rabaul visits to the ships were arranged and hundreds of school children and older natives availed themselves of the opportunity. One interested visitor was a grey-haired native who spent at least two hours gazing at some newly polished brass-work on the quarter-deck, and who exhibited a great reluctance to leave the ship at all.

At Marau Sound, Guadalcanal Island, the opposite was the case, however. When H.M.A.S. ANZAC was opened for inspection to the local natives no great enthusiasm was evinced. Apparently a large number of the islanders went "bush" at the sight of a warship.

H.M.A.S. ANZAC gave passage from Honiara to Marau to some natives among whom were two remarkable personalities. One was Jacob Vouzu, a chief headman of the Lengo district and the most famous man in the Solomon Islands. When the war broke out he had retired as Senior Sergeant Major of the F.S.I.F. Armed Constabulary but immediately joined up as an allied scout. Captured by the Japanese on Guadalcanal he was tortured for information without success, then tied to a tree and used for bayonet practice and left for dead. He managed to crawl 10 miles to the American lines, however, and reported for duty. He has been awarded the George Medal, the U.S. Legion of Merit, the U.S. Silver Star and the U.S. Purple Heart with many clusters. The other notable was Daniel Pule E.E.M. who was a Staff Sergeant in the famous South Pacific Scouts and an expert marksman having despatched 27 Japanese by sniping.

At Auki, Malaita Island, some village headmen under charge of the District Commissioner, Malaita, were embarked in H.M.A.S. AUSTRALIA for passage to Su'u. The news of the Ship's presence was passed from village to village along the coast by smoke signal.

While berthed in the Brisbane River on return from the cruise H.M.A.S. ANZAC's jetty sentry, in the early hours of 21st May, discovered a fire in the Butter Marketing Board's premises on the Cold Stores Wharf alongside the ship. The Fire Brigade was notified and a Fire Party from ANZAC fought the fire until the Brigade gained control. This prompt action prevented much damage to the Board's premises and to the adjoining Hamilton Cold Stores.

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S E C T I O N II
EXTERNAL INTELLIGENCE.

KOREA.

Truce Talks.

Talks continued at a stalemate until 3rd July when the Communist delegation, after blaming the United Nations for the lack of progress during the past two months, proposed that prisoners of war should be reclassified in accordance with the draft armistice agreement and that negotiations continue in closed session.

This proposal was agreed to by the United Nations delegation on the following day and talks were subsequently held in secret until 25th July when the delegations met in open session. It appears that little if any progress was made at the secret talks. If recent press reports are correct, the talks have now been recessed.

Military Situation.

The total enemy strength in North Korea is estimated at approximately 980,000 of which an estimated strength of 371,000 is in contact. Strength in immediate reserve is estimated at 186,000 and strength in the rear or unlocated is estimated at 453,000.

Enemy force in contact include eight Chinese Communist armies supported by five artillery divisions, two anti-tank divisions, one rocket launcher division, three armoured regiments and three North Korean corps. Forces in immediate reserve include four Chinese Communist armies and one Chinese Communist security division. Forces in the rear or unlocated include five Chinese Communist armies, one security division, elements of two armoured divisions, three North Korean corps including one armoured division, one mechanised infantry division and four mechanised artillery brigades. In addition there are miscellaneous Chinese Communist and North Korean headquarters and rear troops including North Korean army trainees.

Known recent moves which are reflected in the above dispositions are :-

- (a) one army previously located centrally in immediate reserve, moved East close to the front in the East Central Sector
- (b) in the West one Chinese Communist army previously employed in a coast defence and security role has moved two of its divisions to the Western Sector of the front

(c) one Chinese Communist artillery division, reorganised from horse-drawn to mechanised, has relieved another artillery division on the West Central Sector.

These moves may be routine reliefs but pending confirmation the possibility of offensive motives cannot be overlooked.

Unconfirmed reports indicate the possibility that a further two Chinese Communist armies have returned to North Korea from Manchuria and Peking after reorganisation.

There have been two recent reports of the southward move of large numbers of Chinese Communist troops, trucks, camouflaged artillery pieces and ox-carts, along the coastal route into North-East Korea. Sightings by naval pilots tend to confirm these reports but there is insufficient information to check the extent of the move or to identify the troops. This is an unlikely route for entry into Korea especially as no Chinese Communist forces are accepted in the area or in the adjoining areas of Manchuria.

Vehicle sightings and particularly rail sightings have increased in recent months. This links with reports that front line units are being built up in supplies of food equipment and ammunition. The supply situation of the enemy is generally more satisfactory than ever before.

The possibility that the enemy may resort to chemical warfare is discounted although there have been increasing reports of the issue of respirators to Chinese Communist front line units. It is thought that the measure has probably been undertaken in the interests of morale.

Fighting has been confined to probing attacks and patrolling and the general level of such activity has remained constant but there have been cases of greater enemy determination in pressing home these attacks and some have been characterised by heavier weight of supporting fire than has been normal in the past.

Political Situation.

The political situation in South Korea which has caused concern during recent weeks seems to have eased since the passage through the National Assembly of a "compromise" amendment to the Constitution. The amendment provides for direct election of the President by popular vote, for a bi-cameral legislature and for greater control over the Cabinet by the Assembly.

North Korean Hydro-Electric Power Plants.

The hydro-electric plants which were recently bombed by United Nations aircraft form part of two important power systems in North Korea known as the "Eastern" and "Western" systems.

The Eastern system, to which the Fusan, Chosen and Kyosen plants belong, is based on tributaries of the Yalu River in North-East Korea. It serves North-East Korea, the Vladivostok-Voroshilov area in the Soviet Far East and a small area in North-East Manchuria.

The Western system has its base plant at Sui-ho on the Yalu River.

It is believed that the installed capacity of the plant in mid-1951 was 400,000 kw. and the operating capacity, 200,000 kw. The plant services the Korean cities of Pyongyang, Chinnamp'o, Sinuiju and Chonju, as well as the South Manchurian cities of Dairen, Port Arthur, An-shan and An-tung.

Sui-ho is believed to supply approximately 100,000 kw. to Manchuria, of which probably more than 80% is consumed in Dairen, a centre important industrially for its shipyards, railway workshops, and refining and chemical industries. The proportion of Manchuria's total power which is supplied by the Sui-ho plant is not known but, unless there has been a large recent increase in local thermal capacity, which is a distinct possibility, it is probable that Dairen depends upon the Sui-ho plant for more than half its power requirements.

The destruction of these two power systems would make it extremely difficult for the remaining industries in North Korea to remain in operation and would cause a severe drain on the power resources of Manchuria especially in the Dairen area. Moreover, the 1952 programme for large-scale industrial development in Manchuria must be adversely affected by any reduction in the power supply.

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JAPAN.

Political Situation.

Political activity is coloured by the possibility of an election later this year. The Progressive party, the strongest of the opposition parties, recently appointed Mr. Shigemitsu as its President. Mr. Shigemitsu was once Japanese Ambassador in London and, at the time of the surrender, was the Japanese Foreign Minister. He was sentenced to seven years imprisonment as a war-criminal and was "depurged" recently. Considerable publicity was given to Mr. Shigemitsu's assumption of office in the party.

In the Government party, the Liberal Party, a split is developing between the followers of the Prime Minister, Yoshida Shigeru, and the supporters of

Hatoyama Ichiro, founder of the present Liberal Party, who was recently "depurged". In a recent public statement Mr. Hatoyama was for the first time openly critical of Mr. Yoshida's Cabinet. He said that the present Cabinet had lost the support of the people and should resign immediately and went on to say that the presidency of the Liberal Party should be returned to him to ensure the return of the party at the elections.

Japanese Navy.

Following the decision to form a National Security Board to control a small Army and Navy, reported in A.S.I.S. No. 4, an announcement made in Washington stated that the United States Senate had approved the loan of 68 vessels including 18 frigates and 50 landing craft to Japan for a period of five years, with a possible extension to ten years.

It has also been reported that a programme of training has commenced in Japan to train crews for these vessels.

This Naval force is described by the Japanese as a Coast Guard force and can perhaps be compared, in its present form, with the embryo form which the Republic of Korea Navy grew. (See the article in Section IV of this issue of A.S.I.S.).

Soviet Representation in Japan.

Major-General A.P. Kislenco, the former member of the Allied Council for Japan which was dissolved upon the coming into force of the Peace Treaty, left Tokyo for the U.S.S.R. via Hong Kong and China on 27th June. It is not known whether he intends to return to Japan or whether he will be replaced as Head of the Soviet group.

Some observers link General Kislenco's return by way of Communist China with the recent Soviet decision to transfer the Soviet Ambassador to the United States to Peking.

Japanese Communist Party.

In the course of an investigation into the demonstrations on 30th May during which three demonstrators were killed in the attack on the Itabashi police base, two interesting documents are reported to have come into the possession of the police.

One of these documents is reported to contain an account of the formation of a special "attack" corps, called the "Racial Liberation Action Corps", by the Japanese Communist Party as a result of lessons learned during the May Day disturbances in Tokyo. The special attack corps is for use in spearheading attacks such as the one on the Itabashi police box.

The second document is reported to be a secret directive issued by the

Japanese Communist Party headquarters to the "Core Self-defence Units". The document analyses the lessons learned during the May Day riots, incites party members to further the struggle and suggests various ways in which they can act to make subsequent demonstrations more successful. For example, they suggest the use of Sulphuric acid bombs as a counter to police pistols and tear-gas.

Japanese Investment Abroad.

There is increasing evidence of active interest by Japanese business men in the investment of capital and the employment of Japanese technicians abroad for the establishment of industries and the exploitation of raw materials required by Japan. This trend is exemplified by the following recent reported developments :-

- (a) The Export and Import Bank of Japan proposed to present immediately to the Diet "a revised plan of the Export-Import Bank Establishment Law" to facilitate loans for the development of South-East Asia.
- (b) Japanese interests plan to form a corporation similar to the former Manchurian Heavy Industries Corporation, to develop the natural resources of South-East Asia.
- (c) A Japanese Government-sponsored industrial mission recently toured Indian industrial centres to examine the scope for the participation of Japanese technical skill and capital. In return for such Investment Japan wants to secure increased imports of iron ore from India.
- (e) Japanese investors are reported to be interested in the proposal by Burmese oil-well owners to rehabilitate some of their inoperative wells at Yenangaung. The owners are reported disposed to accept Japanese offers of financial and technical assistance.
- (f) Japanese interests are reported "extremely active" in both Paris and Noumea in trying to regain their pre-war position in nickel and iron ore production in New Caledonia. Japanese managers of the pre-war Japanese companies are known to have visited the colony recently.
- (f) The Kobe Steel Works will provide 20% of the capital and supervise all technical matters of the recently formed Indonesian General Mining Corporation. The corporation will exploit Indonesian mineral resources in Borneo and the Halmaheras. The Japanese firm will supply the mining equipment and will be given priority in the purchase of iron ore. Asbestos and manganese will be exploited initially.
- (g) A Japanese mining firm, the Kokan Kogyo Company, recently concluded a provisional contract for the development of an iron mine in Kelantan State, Malaya. The report states that the Japanese company will carry out all mining activity and will pay the owners a royalty of about 10% of the cost of ore production.

CHINA.

Internal Situation.

The "5-Anti" campaign, or as it was generally known, the Campaign Against Bribery and Corruption, which commenced about mid-1951 and was aimed against "law-breaking" business-men, has been virtually concluded and the emphasis in Government propaganda has now been placed upon the need to push forward the campaign for increased production and to avoid waste.

As in previous campaigns North-Eastern China has taken the lead. In North China, the North China Bureau of the Communist Party has issued a directive to start a "patriotic production increase and economy emulation drive" throughout the region.

The question of increased production was also the main topic of discussion at a recent industrial conference held in Shanghai under the auspices of the East China Bureau of the Chinese Communist Party, and at the Canton People's Representative Conference.

Proposed Peking "Peace" Conference.

At the recent preparatory meeting for an Asian and Pacific "Peace" Conference it was decided to hold a full "Peace" Conference in Peking in the last week in September. It appears that the principal aim of the projected "Peace" Conference is to forward Communist endeavours to induce the peoples of non-Communist Asia to look to China for leadership in their struggle for independence and economic advancement.

Trade Agreement with East Germany.

The Chinese are reported to have signed a trade agreement with East Germany. The agreement is said to be for 4 years. East Germany will send machine tools, fertilisers, electrical, technical and optical products, precision instruments and chemical and medical supplies in return for non-ferrous metals, ore, soya beans, tobacco, hemp, silk and tea.

The Sino-Japanese Trade Agreement.

On 1st June a Trade agreement was signed between China and Japan in Peking. The agreement provides for the exchange of goods to the value of 30 million pounds Sterling each way.

The Japanese delegates to the Moscow Economic Conference signed on behalf of Japan and the Chairman of the China International Trade Promotion Committee, signed for the Chinese.

The agreement is stated to be a private one and not between Governments, but the publicity attending the signing of the agreement indicates that it was

concluded with an eye to its effect upon public opinion in Japan.

Speeches made on the subject of the agreement show that Peking hopes to undermine Japan's incorporation in the Western defence structure by appealing to Japanese industrialists over the head of the Government.

HONG KONG.

Internal Situation.

The labour situation and the situation on the frontier are both quiet but the Colony's overall trade in June showed a 10% drop on May figures. Trade with China was up through a sharp increase in exports (Non-strategic and all licensed).

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FORMOSA.

Chinese Nationalist Naval Appointments.

Rear Admiral Wang Tien-chih has been promoted Chief of Staff and Rear Admiral Yang Yuan-chung has been made Deputy Chief of Staff following the recent new appointments of Rear Admiral Ma Chi-chuan and Rear Admiral Li Yu-Lsi reported in A.S.I.S. No. 8.

Nationalist Naval Headquarters.

The headquarters of the Chinese Nationalist Navy was moved to Taipei from Tsoying on 3rd June.

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INDO-CHINA.

New Government in Vietnam.

On 3rd June, M. Nguyen Van Tam, Minister for the Interior in the Vietnam Cabinet, unexpectedly announced that he had been charged by the Head of the State of Vietnam, Bao Dai, with the formation of a new Government.

Bao Dai's action was probably dictated by his growing dissatisfaction with M. Tran Van Huu as Prime Minister. It is also probable that Bao Dai may intend in the future to take a more active part in Vietnamese political affairs.

The policy outlined by the new Prime Minister includes the following main points :

- (a) Prosecution of the war with all possible vigour paying special attention to the rapid development of the Vietnamese army;
- (b) Rallying of all regions and Nationalist forces behind the Government;
- (c) Creation of a budget and more efficient financial methods including tax-collection;
- (d) Agrarian reform;
- (e) Establishment of an elected National Assembly;
- (f) Social action to reduce the sufferings imposed on the people by war.

The Cabinet will contain fifteen posts, as against thirteen in the previous one and will include five members of Tran Van Huu's Cabinet. As promised by Van Tam, the Government seems to be a broadly based one in which the main political groups are represented.

Both North and South Vietnam are well represented but so far Central Vietnam has only one representative, M. Phan Van Giau, who has been appointed to the new Ministry for Information and Propaganda, which is expected to be a key Ministry in the new Government.

M. Van Tam is one of the most pro-French of the Vietnamese political figures but is not popular in Vietnam. He has a reputation as a strong, energetic and ruthless man who tends to prefer direct action to discussion in the settlement of political disagreements.

The new Government, as a whole, is not unduly pro-French in sympathy and includes a fair percentage of able and forceful men, but the extent to which it will be able to realise its programme depends upon the support it can muster in the country and whether its members can work together as a team.

Political Situation in Cambodia.

On 15th June, Norodom Sihanouk, King of Cambodia dissolved Cabinet and assumed control himself as Prime Minister in a new Government of National unity which includes the main political parties. The King asked the Assembly to approve of his action in a message implying that he might dissolve the Assembly if it refused.

Closer Contact between the Viet Minh and China.

On 23rd May, the Cominform Journal (published in Europe) for the first time made mention of the Free Cambodian and Free Laos movements. This may indicate that the Viet Minh is in closer liaison with these groups.

Sou Ngoc Thanh, who recently deflected from the Cambodian Government and joined the Khmer Issarak (Free Cambodians), may have brought this about.

In any case closer contact between the Viet Minh and China appears to have been established as Viet Minh news is now rebroadcast from China within 24 hours of the actual occurrence of events instead of after a lag of two or three days as previously.

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THAILAND.

Internal Situation.

The general political situation in Bangkok has deteriorated but beyond this there is little evidence to indicate that a coup is imminent. Rivalry still exists between the leaders of the army and the police and while this continues an attempted coup is always possible.

Thai Communist Party.

The Cominform journal reports that at the recent national conference of the Thai Communist Party a new central committee was elected. The conference criticised the shortcomings of the Party and stressed the need for action against both left and right deviations.

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MALAYA.

Internal Situation.

Although the number of incidents involving bandits has been approximately the same as in past months, the number of bandits who have surrendered has been greater than at any time since the emergency and bandit morale in some areas is believed to be very low. An increasing number of high Communist officials have fallen victims of the Security Forces and this may indicate that low morale of the rank and file has necessitated the presence of leaders in the front line.

The surrender of a Communist vice-commander and thirteen of his band to the Security Forces has given a welcome lift to public morale in Malaya and this together with recent successes has invoked more public confidence in the Security Forces.

The surrendered Communist vice-commander has co-operated with the Govern-

ment in a big "surrender" drive directed against the bandits.

Re-organisation of the Administration.

In the course of a general re-organisation of the administration of the Federation several new posts have been created. These are :-

- (a) A Director of Intelligence to co-ordinate the work of all Intelligence in the Federation, including the C.I.E. Previously the Director has been subordinate to the Police Commissioner.
- (b) A resettlement officer who will concern himself with all aspects of resettlement.
- (c) An Assistant Director of Public Works with full responsibility for Federal housing projects.
- (d) A Supplies Progressing Officer situated in London.
- (e) A Security Officer in the Defence Branch.

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BURMA.

Internal Situation.

The possible eclipse of the Burma Communist Party (BCP) in Central Burma was recently reported by a usually reliable source but until confirmation of this report is received and further information about Government and insurgent activity is available it is not possible to make any useful comment.

Burma Navy.

It is reliably reported that the Burma Navy is full of distrust and disunity from top to bottom, due principally to the fact that the officers are split into three groups, one non-political and two political.

There is continual strife and place-seeking between and within the groups, particularly the two political ones and there is a number of officers who step adroitly from one political group to the other, according to where their own advantage appears to lie best.

One political group follows the Star of the Supreme Commander, the other gives allegiance to the Minister of Defence.

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PHILIPPINES.*Action Against the Huks.*

While it is difficult to assess the results obtained by the rejuvenated Philippines Army in its campaign against the Huks, it can be said that the willingness of the people to support the Huks is definitely on the wane.

The activities of Combat Teams have made it impossible for the Huks to mass large numbers and the ability of the Army to "fight them on their own doorstep" has lowered bandit morale considerably.

Definite signs of weakness in the Huks organization are appearing and if the pressure can be kept up at the present tempo there is a likelihood that large areas of the worst parts of the Philippines will be cleared by the end of the year.

There is no evidence that outside assistance is coming to the Huks in any appreciable quantity but it is suspected that financial aid has been received from the 15-25,000 strong Chinese Communist Party in the Philippines.

It is possible that the Chinese may seize control of the Huk organization in the event of the present leaders being eliminated. At present there are no leading Chinese in the Huks.

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INDONESIA.*Indonesian Shipping.*

With reference to A.S.I.S. No. 4 Page 13, it has been reported that the Indonesian Government has placed orders for 45 vessels of 500 to 1,000 gr. tons for the coastal service. Of these, 23 contracts have been placed with West German shipyards, 10 in Italy, 10 in Belgium and 2 in Holland.

Further inspection of Lloyd's various publications has produced the following vessels registered at Indonesian ports:

Vessels.	Gross Tonnage.	Owners.
BAWEAN	366	Republick Indonesian Serikat.
BIAN HAP	117	Bian Hap Handel Maats, N.V.
BOROBUDUR	909	Jajason Penguasaan Pusat Kapal Kapal.
HO SENG	146	Fedjar Trading Co. Ltd.
MENDAT	909	Jajason Penguasaan Pusat Kapal Kapal.
PRAMEBANAN	909	" " "
SENTANA	670	Republick Indonesia Serikat.
TELOK. VII	158	Handel Maats "Swan Liong" N.V.

Indonesian Naval Exercises.

Naval exercises were carried out in the Java Sea in mid-May 1952 and although no details of these exercises are known three B.25 (Mitchell) aircraft took part as well as Catalinas. The Mitchells are reported to have carried out "attacks" on the "GADJAH MADA", flagship of the A.L.R.I.

This is the first time that the Indonesian Navy and Air Force have attempted joint exercises.

Internal Security Measures in Java.

Except for a fifteen mile corridor between Djakarta, Bandung and Tjeribon, all West Java has been closed since June 21st to all aircraft with the exception of these of the Indonesian Air Force.

The extent of the restrictions, which include part of the Sunda Straits and parts of the Indian Ocean, is causing concern to the International Civil Aviation Organisation Mission at Djarkata which claims that no notice of the intent to impose the restrictions was given.

The impressions are that the Indonesian authorities suspect air smuggling of arms to the Darul Islam but no confirmation of this is available.

Rubber Shipments to the Communist Bloc.

A report states that two Indonesian firms are attempting to arrange shipments of crude rubber to the Communist bloc.

The Indonesian Government has hitherto opposed such trade but due to the fall in the price of rubber and the unusually large amount of rubber in warehouses (estimated at 300,000 tons) its attitude may weaken under pressure of falling revenue.

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SECTION III

AUSTRALIA STATION INTELLIGENCE.

REPORT OF ALLEGED SUBMARINE SIGHTING - SOLOMON ISLANDS.

Two natives reported sighting an alleged submarine in the vicinity of Bagga Island in position 067 degs. 50 mins South 136 degs 33 mins East at 1700 local time on 27th June. The submarine was reported to have been on the surface when first sighted, proceeding from the direction of Oula River towards Bagga Island. After some five minutes the submarine submerged.

The natives described the hull as stone coloured and one sketched the hull showing the conning tower, periscope and adjacent railing.

An evaluation of F. 2 has been placed on the report.

In May 1951 an unconfirmed report was received that a submarine had been sighted off Bagga Island in March and April.

HARBOUR IMPROVEMENTS.

Fremantle.

Good progress is being made in the conversion of berths in Fremantle Harbour previously used solely for bulk cargoes into general cargo berths. Framework of all sheds has been completed and the shed at No. 2 Berth has already been used to discharge cargo. Sheeting of all other sheds is practically completed and all will be capable of receiving cargo in the near future.

A large mechanical engineering workshop has been constructed on the site in Fleet Street formerly occupied by H.M.A. Victualling Yard Sub-Depot. Cement flooring is being put down at present and the workshop will then be completed. This building should be large enough for any foreseeable requirements over a very long period.

Albany.

The Dutch dredges are making excellent progress on the harbour reclamation. Working 20 hours per day, approximately two-thirds of the job is now completed and it is expected the whole operation will be finished by July or August.

From local reports, it seems likely that the harbour operations will not be curtailed as a result of the recent Commonwealth Governments Loan Council

restricted advances to the States. It is anticipated that the two new berths now being reclaimed will be ready for use early in 1954.

Geelong.

The Geelong Harbour Trust is to spend approximately £1,000,000 to deepen the Port's approaches for oil tankers and will build a special wharf for them.

Botany Bay.

Plans to convert Botany Bay into the second coal port in the Commonwealth are now well under way. Hydrographic surveys of the bay have already been carried out.

Coal loading and unloading equipment, including hoppers, are to be built at the proposed wharves where interstate ships and colliers will get supplies for the rest of Australia. General cargo will be handled as well.

At present the Railways Department has a line to Botany and this is extended by private line to Bunnerong Power House. The Railways plan to build a new line on the Sydney side of Bunnerong to connect with the wharves.

OIL EXPLORATION IN EXMOUTH GULF (W.A.) AREA.

Western Australian Petroleum Limited is making steady progress in its plans for oil exploration in the Exmouth Gulf Area.

An American drilling firm has contracted with the company for well-sinking and drilling equipment has been shipped direct to Learmouth, in Exmouth Gulf, from San Francisco in the vessel "ELLEN MAERSK".

The 3,600 tons of equipment will be discharged into landing barges. Special roadways and aprons have been constructed to take the heavy trucks and landing barges handling the equipment, at what was formerly the "Potshot" site used during the war by the United States Navy.

ANGPOL PETROLEUM, LTD. - NEW STORAGE TANKS AT ADELAIDE.

Angpol Petroleum Ltd., are now building a 500,000-gallon tank at Birkenhead for the storage of power kerosene, and it is expected to take about 4 months to complete it.

The firm already have a 1,000,000-gallon petrol storage tank at their property in Elder Road, Birkenhead, near Snowdens Beach, but have no wharf of their own. They have a pipeline running from the Caltex Oil Co. wharf to their

storage tanks which they use when unloading fuel.

Two 250,000-gallon tanks are expected to be built next year for lighting kerosene and distillate.

SHELL COMPANY OF AUSTRALIA, LTD. - BULK LUBRICATING OIL STORAGE, FREMANTLE.

Work has commenced on the construction of a bulk lubricating oil storage and between plant for the Shell Co. of Aust. The area selected as the site has been made available for the Fremantle Harbour Trust and is immediately at the rear or seaward side of the Shell Co's pumping plant at No. 1 Berth, North Wharf. Storage capacity will be:-

- (a) Lubricating oil - 1 No. 2000 water - ton tank
 3 No. 1500 water - ton tank.
- (b) Bitumen - 4 No. 1500 water - ton tanks.

The site of the plant has already been levelled and some of the steel plate necessary for the project is to hand.

SMALL CRAFT SLIPWAY - FREMANTLE.

A company has recently been formed in Fremantle with the intention of constructing a new slipway and workshop on a site between the breakwater and the jetty adjacent to the Fishmarket area (Chart P. A. 1700). Two of the directors are Messrs. V. Mews and C. Melrose who have for many years been working partners in a boatbuilding business.

The slipway has been designed to take small craft up to 25 tons and will be built of steel, concrete, and wood at an estimated cost of £7,000. Land will be reclaimed to provide sites for workshops and cradles.

It is hoped that the project will be completed before the end of this year. A ten year lease of the site has been obtained from the State Government.

ATOMIC PILES SITE - FITZGERALD BAY (BACKY'S BAY), SOUTH AUSTRALIA.

The Premier of South Australia announced on 15th July that Backy's Bay about 18 miles North of Whyalla on Spencers Gulf, would probably be selected as the site for the first industrial atomic pile plant in the Southern Hemisphere.

Of all sites that have been investigated, Backy's Bay appears to have the best possibilities for the following reasons:-

- (a) It is one of the best natural harbours in South Australia with plenty of deep water. Marine charts show a channel reaching depths of more than 10 fathoms.
- (b) The country around is a deep belt of salt-bush and scrub almost entirely unpopulated.
- (c) A few miles inland is the main Fort Augusta-Whyalla road, and the Morgan-Whyalla pipeline.
- (d) Transmission lines are close by.
- (e) It is close to the new power station being built at Port Augusta.

The claim of being one of the best natural harbours is borne out by the fact that when it was first proposed to build a port for shipping Iron Knob ore, Backy's Bay was seriously considered as an alternative to Whyalla.

JAPANESE INTEREST IN YAMPI SOUND, (W.A.), IRON ORE DEPOSITS.

The former head of the Australian Mission in Tokyo, Lieut. Colonel W. F. Hodgson, stated when passing through Fremantle recently, that he had numerous enquiries, while in Japan, from Japanese business interests concerning the Yampi Sound iron ore deposits.

Prior to the War the Japanese showed considerable interest in these deposits.

SULPHURIC ACID PLANT - BIRKENHEAD, SOUTH AUSTRALIA.

A tender submitted by Simon-Carves (Aust.), Pty. Ltd., Sydney, has been accepted for the £2,000,000 Sulphuric Acid Plant to be built at Birkenhead on the design of the Simon-Carves-Monsanto plant in England. The Federal Government has agreed to finance the project to the extent of £1,700,000, while the three companies concerned, Cresco Fertilisers, Ltd., Adelaide Chemical and Fertiliser Co., Ltd., and Wallaroo-Mt. Lyell Ltd., would each contribute £100,000. A new company, Sulphuric Acid Ltd., will be formed to operate the plant when completed about the end of 1954.

The plant is expected to produce 100,000 tons of sulphuric acid per year, enough to make 200,000 tons of superphosphate, from pyrites at the Nairne pyrites mine which would be in full production by the end of 1953.

NORTHERN TERRITORY.

Port Facilities - Darwin.

At a conference held in Darwin between representatives of the Australian Shipping Board, the West Australian Shipping Board, the Stevedoring Industry Board, the North Australian Workers Union and Eurns Philp, measures to arrange for the smoother and more efficient working of the Darwin waterfront were discussed.

The conference has prepared a report for the Minister for Shipping, Senator McLeay, recommending the extension of the wharfage facilities. These recommendations take into consideration the reconstruction of the Old Timber Jetty and the rapid deterioration of the Main Wharf (which, it is estimated, will be useless in approximately two years). It has been recommended that the Main Wharf be rebuilt for handling overseas vessels.

The provision of more loading equipment and an increase in the number of waterside workers have been under consideration but no decision has been made pending the exploitation of uranium ore and the development of other industries in the Territory.

Census of Aborigines in Northern Territory.

Figures recently released by the Director of Native Affairs show that there are 12,200 natives at present living in the Northern Territory. Missions account for 3,600 of these. Government settlements (exclusive of Darwin and Alice Springs) 2,400; pastoral, mining and agricultural areas, 4,400 (2,000 in some form of employment); aged and infirm ration depots, 300; towns and environs of Stuart Highway (including Bagot and the Bungalow) 900. Nomadic natives not in contact with missions or settlements total 600. There are 12 Government settlements, and sixteen missions are controlled by seven mission organisations.

Anthropological Expedition.

With trunks of modern sound recording and photographic equipment, tinned food, office equipment, a small reference library and a few articles of clothing, visiting Fulbright Scholars, Dr. and Mrs. R. A. Waterman of North Western University, Illinois, recently commenced a nine months anthropological expedition to Arnhem Land.

They were joined in Darwin by South Australian anthropologist Mr. C. P. Mountford and the party intend studying aboriginal culture and living under canvas amongst the Yirkalla natives until next February.

Dramatic Sea Voyage.

A dramatic trip was made to Cape Don Lighthouse by the R. A. A. F. Air Sea Rescue Launch at the end of June in response to a radio call from the lighthouse keeper that his 11 year old daughter was in immediate need of medical attention.

At 1700 on 24th June the launch departed Darwin with one of the doctors from the Darwin Hospital on board and arrived at Cape Don Lighthouse at approximately 0200 the following morning. A swift running tide made it impossible for the launch to get close inshore, so a party attempted to reach land in a row boat. The first attempt failed but while the rescue party were trying to find a channel, a native appeared out of the darkness and guided them safely through the channel to land.

The child was immediately treated and transferred to the launch for passage to Darwin.

On the return journey the launch fought its way against heavy seas and instead of travelling at its normal 12 knots, had its speed reduced to four knots for part of the trip.

Raft Sailor.

A Darwin identity, Jack Fairweather, commonly known as the "Rear Admiral" because he lived in the after end of the old Government Patrol Vessel "YURU" at Darwin, once more had the urge to travel; so he built himself a 'vessel'?? A roughly constructed 6 foot raft made of three discarded aircraft petrol tanks lashed together with wire and fitted out with a broomstick as a mast.

Consequently, one day early in May he was missed from his usual haunt and was first sighted 99 miles out at sea by a pearling lugger, and offered a passage back to Darwin on this vessel; with dignity he refused the offer and drifted on. It was believed locally that Davy Jones's Locker had claimed another victim when unexpectedly news was received from R. A. A. F. that Fairweather had reached Koepang -- a voyage of 450 miles, taking him 18 days. He took 8 gallons of water with him, but had only used 4 gallons and eaten several cans of meat. His only regret over the trip was that he was unable to make his original destination -- Dilli.

Wing Commander McCormack, Commanding Officer, North Western Area, R. A. A. F. flew to Koepang and offered Fairweather a passage back to Australia in his aircraft. This offer was refused by Fairweather "on principle", and he stated that he would wait in Koepang in order to see the British Consul and it is

understood he refuses to move until he had done so. His British passport, £65 in cash and miscellaneous papers and letters are being retained by the Indonesian Immigration authorities who have informed him he cannot stay in Indonesia.

Fairweather told Wing Commander McCormack he had worked out a system of ropes to prevent himself falling off the raft. He lay down with one leg each side of his broomstick mast, and with ropes attached to a crude rudder, and across his body, he could control the rudder; at the same time being prevented from being washed overboard. During some of the night storms the raft rode out 20 foot waves which repeatedly threatened to engulf him. He stated he struck a coral strand surrounding the island of Poti, and was picked up by natives and after resting two or three days was taken on a lugger to Roepang.

After he has seen the British Consul, it is understood he intends to visit Singapore and Scotland; his mode of travel to these destinations has however, not been revealed.

A theory has been advanced by Dr. Leonhard Adam, a researcher in history at Melbourne University, that Fairweather's trip across the Timor Sea has been hailed as proof that the aborigines migrated to Australia by way of Timor, and stated that Fairweather's trip was scientifically important in its contribution to anthropology.

Thus another chapter has been written in the life of Ian ("Jack") Fairweather, who has been a student of botany and forestry, a Captain in the British Army and an artist whose works hang on the famous walls of the Tate Gallery, London, and in Australian National Galleries.

DUTCH NEW GUINEA.

Administration.

When the New Guinea Division of the Netherlands Department of Overseas Territories was created in 1950 it had a staff of 3. It now has a staff of 13, and by the end of the year the staff will be increased to 47.

This and other indications suggest that in spite of Indonesian pressure, the Netherlands Government intends to retain Dutch New Guinea.

Crude Oil production.

The Klamono oilfield in the Vogelkop Peninsula is now producing about 260,000 tons of crude oil a year.

The oil is shipped at Sorong and most of it is sent to Altona (Melbourne) for refining.

At Steenkool, in the Southern portion of the Vogelkop Peninsula a new field is being investigated.

Shell's temporary buildings at Sorong are soon to be converted to permanent buildings.

Airfields.

Airfields are being improved or rebuilt at Hollandia, Biak, Manokwari, Jefman Island, Merauke, and Dijoel (in the interior). All except Biak are being fitted to land Dakotas. Biak, which can already take K.L.M.'s Constellations, is being converted to a first class up-to-date airfield, and a hotel costing 750,000 guilders is to be built there.

Constructional Work at Hollandia.

Since last November a Company from Holland, using a labour force of 400-500 Europeans and Papuans (1,000 Indonesian labourers remaining in Dutch New Guinea are shortly to be sent home) has contracted to build (in concrete) Government offices, a hospital and between 200 and 300 houses in 18 months.

Another large firm has contracted to rebuild the American built roads in Hollandia and the road from Hollandia to Ifar (45 kilometres.)

BRITISH SOLOMON ISLANDS PROTECTORATE.

Stirling Island (Treasury Group) Airfield.

M.S.L. 708 paid a visit to Stirling Island (Treasury Group) during her recent Islands cruise.

The Supervising Intelligence Officer, North-Eastern Area, who accompanied M.S.L. 708, reports as follows on the airfield which was laid down there during the Pacific War :-

"Lieutenant-Commander Nicholls and myself walked over to the end of the main Bomber strip where the take-off goes over a 200' cliff. The Coronas surface is still excellent with no pot-holes. There are a few stunted bushes growing on it but the strip could be made operational by 10 natives in about two days. The B.S.I.P. Administration would be well advised to render this strip operational as an alternative landing ground between Torokina, Vella Lavella and Honiara. Revetments, dispersal areas and roads are becoming overgrown, but could be easily cleared."

NEW CALEDONIA.*Exports of Chrome.*

In 1951 the exports of chrome ore from New Caledonia amounted to 93,000 tons, as compared with 74,000 tons for the previous year.

These supplies came almost exclusively from the Societe La Tiebaghi and Senator Lafleur's smaller company, "Chagrin". This year, however, a new American chrome mining company (Patterson's Societe Caledonienne des Metaux) is beginning operations at Nepoui, and there is some possibility of their eventually displacing Tiebaghi as the Territory's largest chrome producer. (It is claimed that the Patterson Mine, when fully operating, will be able to produce 10,000 tons of 60 per cent chromium concentrate monthly - an output twice as large as current output at Tiebaghi).

Exports of Manganese Ore.

Exports of manganese ore from New Caledonia in 1951 were for the first time of substantial volume - 19,500 tons, compared with 1,800 tons in 1950. This year's output is expected to rise considerably above the 1951 level.

Italian Labourers.

300 Italians have been engaged for work in the Tiebaghi and Chagrin mines. They were due to arrive in New Caledonia during May.

Asian Minorities.

The Indonesian and Tonkinese minorities have been quiet enough over the past six months. Although the Tonkinese are believed to be about 90 per cent pro-Viet Minh, they have made no social disturbances since the strike at Tiebaghi in September, 1950. They are, however, continuing to drift to Noumea from up-country employment and increasingly to set up as small shopkeepers and tradesmen. Also, they are breeding fast and now number about 1,600 men, 400 women and nearly 2,000 children.

As 1st December 1951, there were 6,885 Javanese in New Caledonia, as compared with 8,641 in 1946. This decrease is due to emigration; but there have been no new movements in or out since 1950 and there is no present prospect of further changes. Most of the Indonesians are Nationalists, but they are divided into several mutually hostile political followings. At least 20 per cent of them can be regarded as having Communist sympathies. Although the Indonesians, too, are drifting to Noumea and leaving manual work for petty shopkeeping and the like, they are not yet reproducing in anything like the same measure as the Tonkinese. They are becoming increasingly less efficient and docile in employment.

SHIPPING INFORMATION.

Sale of Burns, Philp & Co.'s Vessel "KORINDA".

The Burns Philp & Co. Ltd. steamer KORINDA was sold by auction on 18th June 1952, to the S.F. Bell for the sum of £2,100. The vessel had been employed in the Australia - New Guinea trade for the past 22 years.

Mr. Bell, who, it is reported, is the proprietor of Henderson Trippe Shipping Co. of Manila, intends to have KORINDA towed to Japan to be broken up for scrap.

New Phosphate Ship.

A new cargo motorship is to be built for the British Phosphate Commissioners, London and Melbourne, which will have a deadweight tonnage of 12,000. Accommodation will be provided for 80 passengers and the propelling machinery will consist of a six cylinder Harland opposed-piston diesel engine developing 6500 H.P. giving a service speed of 14 knots.

The vessel is to be employed in the Phosphate trade between Nauru, Ocean Island, and Melbourne.

Australian Commonwealth Shipping Line.

Three vessels have been purchased by the Commonwealth Government. The first, TYALLA, which was formerly the KEPALONIA, has already begun trading between Newcastle and South Australia.

The other two vessels, formerly the EMPIRE MOUNTAIN and EMPIRE DIKE were bought by the Moller Line Ltd., in 1948 and renamed MOUNT PARKER and MOUNT AUSTIN. It is reported that these vessels will be renamed CARCOOLA and COOLAPAN. COOLAPAN arrived on the Australian coast from HONG KONG in the latter half of July.

Sale of S.S. ALLARA.

The Adelaide Steamship Company's vessel ALLARA which has been sold to foreign interests and registered at Panama, departed Sydney on 14th July 1952, for Colombo under her new name SANTELENA.

As in the cases of the DUMOSA and MILDURA, the owners were not prepared to comply with the Australian Seamen's Union demands of sailing ex-Australian vessels to overseas destinations using an Australian crew who were to be flown back to Australia on completion of the trip. However, in this case, a scratch crew was obtained, (the vessel having previously bunkered) and she departed after dark without a pilot. Customs Clearance was obtained that afternoon.

Japanese Shipping Service to Australia.

The first Japanese vessel to resume the shipping service to Australia operated by the Osaka Shosen Kaisha Line, referred to in A.S.I.S. No. 4, was the "OSAKA MARU" which arrived in Melbourne on 29th July.

"OSAKA MARU" was built in 1949, is 6253 tons gross and has a speed of 13/14 knots.

INTELLIGENCE OFFICERS IN H.M.A. SHIPS.

Lieutenant M.C. Dobbs, R.N. has been appointed Ship's Intelligence Officer in H.M.A.S. HAWKESBURY.

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SECTION IV.

SPECIAL ARTICLES.

HAINAN.

Since the occupation of Hainan by Communist China numerous reports of the island's conversion to a Naval Base have been received; and the following article on the island may be of interest.

Background.

The island was originally inhabited by tribesmen of Thai origin, called the LOIS or LIS. The Chinese first occupied it in 110 B.C. but soon withdrew in face of LOIS opposition. There have been numerous attempts by Chinese Governments since then to establish control, none being entirely successful, as the LOIS merely withdrew into the hills. The efforts of Chinese officialdom have been further hampered in modern times by the spread of banditry, for which the terrain is well suited.

The outside world took little interest in the island until the 19th century. By the Treaty of Tientsin in 1858, NIUNGCHOW was designated as one of the Treaty ports at which foreigners were allowed to trade, but it has never been seriously developed. At the end of the century, at the time of the "Battle of Concessions", when various western powers were establishing themselves on coast of China, France became alarmed at the possible fate of the island, as it commands the Gulf of Tonkin and the approaches to Haiphong, and she came to an agreement with China that the island would not be ceded to any Third Power.

The island came to the fore during the Sino-Japanese War. It was occupied by the Japanese in 1939, and used as a base for their advances in Kwangtung and Kwangsi and later on French Indo-China and Malaya. The ports of Hoihow in the North and the bays of SAMA and YULIN in the South were developed for naval purposes, but both the port and the bays are only suitable for light craft. Airfields were constructed and communications improved.

General.

Hainan Island is part of the Province of Kwangtung and consists of mountains reaching over 5000 feet in the South, with lowlands broken by a few scattered hills in the north. The Chinese have colonised parts of the island, especially the coastal districts, and practice agriculture and fishing; they have sailing junks capable of travelling oceanic waters. The Hoihow kiang, a

river accessible only to small boats, drains the northern part of Hainan and serves Chungchow, the capital of the island, a town of 46,000 people.

The East coast consists almost entirely of low sandy coasts and is generally avoided by shipping. The South coast has a number of bays backed by high land, but is sharply exposed to the S.W. Monsoon. The West coast of the island consists largely of sandy beaches with shoals off shore. Strong westerly winds blow at times against this coast and there are very few anchorages.

East Coast. (Yulin to Chungshan).

Yulin harbour has little activity save L.S.T., small craft and smaller tanker class shipping. There are 8 sunken ships in the harbour, and as yet, no attempt has been made to clear these wrecks.

The town quay is apparently abandoned, the last photo-reconnaissance showing a large bomb crater together with overgrowth. It was also observed that 45 abandoned vehicles are still on the quay with no effort being made to repair or re-activate them. The ore-loading quay, east of Yulin across the harbour, is in use with a floating crane and a gantry assisting the loading of ore from the existing stockpits on the quay. Iron ore deposits are at Yulin and Baklai.

The seaplane base ramp is possibly serviceable but in poor condition. The railway and numerous buildings show marked deterioration.

With the Island now in the hands of Communist China, former Japanese Anti-Aircraft and Coast Defence positions are kept in a good state of maintenance and are reported to be possibly occupied. The beach from Sanya Airfield to Cape Solomon is thought to be actively mined.

No activity has been noticed on the East and North-east coastal area. The same applies to the South-West, North and North-West Coasts.

Ports.

The port areas are not being improved or expanded. There has been little or no effort made towards repairing damaged installations. A good portion of the port's machinery is not in use. Yulin is the only port where shipping of any consequence has been noted.

Railroads.

The only railroad is in the South-West portion of the Island, extending from Yulin to Baklai Bay. This railroad has seven bridges damaged and can be considered out of service. There appears to be no sign of reconstruction.

Defences.

There is a moderate defence system around the island, the majority

of sites having been constructed by the Japanese during their occupation. In most cases the sites are unoccupied and overgrown, although some show signs of being maintained and possibly occupied.

Summary.

Despite press reports to the contrary, Hainan Island, to all intents and purposes, appears to be abandoned and neglected, but it is thought probable that plans have been made to utilize its ports should it be required as a stepping-stone or holding-ground for future activities.

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THE REPUBLIC OF KOREA'S NAVY.

The Republic of Korea's post world war II Navy stems from a small coast guard and fishery protection force established in occupied Korea with U.S. aid in 1945. This force comprised 10 small ex-Japanese minelayers and 14 ex-U.S. 280 ton minesweepers, one L.S.T., eight miscellaneous small craft and a training academy.

With the establishment of the Republic of Korea in 1948 the Republic of Korea Navy was formed by transferring the above organization en bloc. As tension between North and South mounted and the war started the Republic of Korea Navy made desperate attempts to obtain vessels and succeeded in borrowing two 1400-ton U.S. frigates and some unarmed P.C. boats. Since that time two more frigates, 4 F.P.B., 2 patrol and 2 support craft have been loaned by the U.S.

From the United Nations standpoint the Republic of Korea Navy is a considerable asset. They carry out inshore patrols, enforce fishing regulations, sweep moored mines, assist in escort duties and provide a useful naval intelligence service. The following remarks by the Flag Officer, Second-in-Command, Far East Station, reflect the high standard attained by this small service of 950 officers and 3,000 ratings equipped with a few second-hand vessels and a great deal of spirit.

"During my recent visit to Fusan and Chinhae to meet Vice-Admiral Sohn and to see the R.O.K. Naval Academy, I was particularly impressed with the spirit, smartness and enterprise of the R.O.K. Navy and with the wise and far-sighted policy being adopted by Admiral Sohn, the Chief of Naval Operations and Head of the Navy. Contrary to my previous belief, the material influence of the U.S.N. is relatively small, and the ships and supplies made available have been very meagre for the work that they are called upon to do. Only a very small Advisory Mission, consisting of about five officers under Commander M.J.

Luosey, U.S.N., and a small body of technical ratings, have been available since the outbreak of the war. There is some hope that these may be increased slightly in the near future, but they are crying out for more ships to man and more spares to keep their existing ships moving. They now have four ex-U.S. frigates and these are taking their full share of escort duties on the East Coast with the U.S. and other U.N. frigates. Their E.C. boats have done good work, but the remainder of their ships are on the small side to achieve spectacular results, but they have fulfilled an essential function during the long months of this war, although operating on such a very small margin. It was one of the R.O.K. E.C. boats which sank a North Korean transport bound for Pusan during the first days of the war before any other help was available.

The R.O.K. Navy offers a large source of native man-power of a particularly promising kind. These people are different alike from the Chinese and Japanese. They have many of the better characteristics of both. They are tough fighters and have an ancient tradition of Naval History descended from Admiral Lee Sun Shin who defeated a large Japanese Navy some 350 years ago and who must have been one of the first men to use steel ships of a type known as "Turtle" ships, (I had not heard of this interesting piece of Naval History before, but it is much documented and appears to be authentic.) They are used to fighting in adversity, and whatever the outcome of the present conflict, they have announced that the Navy will fight on with the United Nations against Communism. Apart from this, the Navy is entirely unpolitical and considerable attention is being paid to keeping it so.

The P.O.A. Navy is helping itself. I was particularly impressed with the drive and vision in rebuilding and rehabilitating the former Japanese Naval base at Chinhae, and the resourcefulness in salvaging every possible piece of scrap material and improvising repairs and spare parts. We have sometimes laughed at their scrounging in the operational area, but here was first-hand evidence of the use to which they were putting it, an example which we might well follow. The Navy is starting up its own industries to make its various requirements, including its uniforms and shoes. The Dockyard has considerable possibilities. They are building a drydock and a new berthing pontoon. The Americans have started a small electronic test shop and a spare parts distribution centre, but they are both woefully short of equipment. The Koreans are training up rapidly to be able to handle these things themselves.

Chinhae is an excellent harbour, well protected and an extremely attractive spot. It is well laid out with plenty of room to develop, the Japanese having kept the area closed to civilian development for many years.

The Navy Academy is even more impressive than the base, from which it is separated by some short distance. I witnessed a parade here by the Cadets, which was the equal of anything I have seen anywhere. The Commanding

Officer, H.M.S. BELFAST, a former Commander of Dartmouth, and recently on the Admiralty Interview Board there, agreed that this was fully equal to Dartmouth's best. At the present time the course is reduced to three years instead of four years in peacetime. It is virtually the only educational establishment of University standard functioning in Korea at the present time, and hence it has the choice of the highest quality of Korean youth, as is evidenced by the fact that only 120 out of 2,000 applicants were admitted, and of these about 25% will be weeded out later.

I was also much impressed by the discipline, bearing and smartness of all the ratings I saw ashore in the base and at their Service school.

After very favourable early reports on the R.O.K. Navy in 1950 and 1951, recent reports from Commanding Officers in the operational area have been very critical of R.O.K. Navy Commanding Officers, although their gallantry in action has never been questioned. The reason for this is now clear. Due to the long term policy, the better officers have largely been withdrawn for training duties or for courses and key jobs, and appointments such as the frigates. The first Academy graduates are only just going to sea, and they will serve for three months as ensigns under training in U.S. ships. Thus the remaining officers, part of the original emergency intake from various outside sources, such as the Coastguard, Merchant Service, Army, etc., who have never had a proper training and, probably the more likely reason for complaints, who have no knowledge of the English language, are serving in ships at sea at the moment. As the Academy graduates become available these will mostly be weeded out.

Their logistic arrangements have also been much criticized as has their tendency to live off the land. While not denying the bandit tendency of some of these people, Admiral Sohn and Commander Luosey have now explained many of their difficulties. They are, of course, desperately poor, and the cost of living has greatly exceeded the scale of pay and food allowance. But they are responsible for local purchase of all their "side-dishes" as opposed to rice, and this accounts for many of the reports of Commanding Officers being ashore while anchored off the West Coast islands. This does not necessarily mean they were commandeering supplies.

It is evident that a closer understanding of their problems will lead to an enhanced respect for this gallant and very promising small Navy, and I feel it is important that any misconceptions which may have derived from previous reports should be corrected."

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SECRET

Transit List

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