



Australian Government



NATIONAL  
ARCHIVES  
OF AUSTRALIA

# Your story, our history

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**NAA: A6119, 6501**

Series number: A6119

Control symbol: 6501

Barcode: 13749881

Number of pages: 24

KIBEL, James Johnson

PP 91/387

[6501]

KIBEL, James Johnson

[6501]

STATEMENT OF REASONS FOR DECISION UNDER SECTION 40(5)  
OF THE ARCHIVES ACT 1983

**Series:** A6119  
**Control Symbol:** 6501  
**Barcode:** 13749881  
**Title:** KIBEL, James Johnson  
**Decision Maker:** John Fenton  
**Designation:** Access Examiner APS 6  
**Date:** 24 June 2016

In accordance with requirements of subsection 8(1) of the *Archives Act 1983* (Cth) (Archives Act), I am a person authorised by the Director-General, pursuant to an Instrument of Delegation, to make a decision in relation to access to the requested record.

**Basis for decision**

In making my decision, I considered:

- the content of the record requested
- the relevant provisions of the *Archives Act 1983*
- policy and guidelines of National Archives of Australia that relate to the access examination of Commonwealth records
- information provided by the Australian Security Intelligence Organisation (ASIO) which I have relied upon in formulating my decision.

**Decision**

I have decided that this item is Open With Exception under section 33(1)(a), section 33(1)(d), section 33(1)(e)(ii) and section 33(1)(e)(iii) of the Archives Act for the reasons set out below.

**The findings of facts**

Section 33(1)(a) of the Archives Act provides that:

a record is exempt from public access if it contains information or matter the disclosure of which under this Act could reasonably be expected to cause damage to the security, defence or international relations of the Commonwealth.

Section 33(1)(d) of the *Archives Act 1983* provides that:

a record is exempt from public access if it contains information or matter the disclosure of which under this Act would constitute a breach of confidence.

Section 33(1)(e)(ii) of the *Archives Act 1983* provides that:

a record is exempt from public access if it contains information or matter the disclosure of which under this Act would, or could reasonably be expected to disclose, or enable a person to ascertain, the existence or identity of a confidential source of information in relation to the enforcement or administration of the law.

Section 33(1)(e)(iii) of the *Archives Act 1983* provides that:

a record is exempt from public access if it contains information or matter the disclosure of which under this Act would, or could reasonably be expected to endanger the life or physical safety of any person.

This record contains:

- Details of operational procedures and techniques used by ASIO which may still be relevant today.
- Details of individuals, organisations or intelligence services of security interest which may still be relevant today.
- Information that could identify an ASIO officer or employee, past or present, has not been officially released by ASIO.
- Information or material that could reasonably be expected to disclose, or enable a person to ascertain, the existence or identity of a confidential ASIO source or agent.
- Details which could impact on the Commonwealth's relations with the current government of a foreign country
- The name or signature of an officer or employee of ASIO or an ASIO source.

### Reasons for decision

#### 33(1)(a)

- The public disclosure of these procedures and/or techniques, most of which are still in use, and other relevant details could be used by organisations or individuals of national security interest to take counter measures against ASIO security operations. Such action would impair ASIO's capacity to fulfil its statutory responsibilities and would reasonably be expected to cause damage to the security of the Commonwealth.

- The public release of names and other identifiers of officers and employees of ASIO, either past or present, would enable the identification of ASIO staff. Once identified these staff could be targeted by persons or organisations interested in obtaining the information they possess to use in espionage, sabotage or threats to Australia's security. Such disclosure would reasonably be expected to cause damage to the security of the Commonwealth.
- ASIO guarantees the identity of its sources remains confidential and protected. In order to carry out its statutory responsibilities under the Australian Security Intelligence Organisation Act 1979, it is necessary for ASIO to rely extensively on confidential sources of information.
- There is clearly an established confidential relationship between ASIO and its sources. These sources have indicated that they would not be prepared to continue providing information to ASIO if their role was ever to be publicly revealed at any stage in the future.
- Any diminution of ASIO's ability to obtain information from confidential sources would restrict ASIO's capacity to carry out its statutory responsibilities and, as a consequence, cause irreparable damage to the security of Australia.
- Failure by ASIO to protect any information supplied by a foreign country from disclosure would threaten any future exchange relationships.

**33(1)(d)**

- Disclosure of this information could identify past or present ASIO officers or employees or sources. Their identities are understood to only be known by ASIO.
- There is a mutual understanding between ASIO and its staff and its sources of information that the anonymity of officers, employees and sources should be protected.
- Section 92 of the Australian Security Intelligence Organisation Act 1979 also prohibits the publication of the identities of present and former ASIO officers and employees.
- The public disclosure of this information would constitute a breach of confidence.

**33(1)(e)(ii, (e)(iii)**

- Release of the information exempted could reasonably be expected to disclose the existence or identity of a confidential source of information to ASIO. The confidential source provided the information on the condition that their identity would always remain confidential and protected. The relationship between ASIO and its confidential sources is based on trust and that includes protecting the existence and identity of confidential sources of information.
- A breach of trust would give rise to concern amongst ASIO's existing or potential sources they would be identified at a later date. Such concerns could lead to a loss of confidence in ASIO which would adversely affect ASIO's ability to obtain information from confidential sources.
- Release of the information could result in disclosure of the existence or identity of a confidential source in particular areas of security interest which may in turn endanger the life or safety of this source.

**Review of decision**

The National Archives of Australia (the Archives) carefully examines records before deciding to exempt any part of them. As part of that process we may consult with other agencies which have expertise on specific national and international matters.

If you do not agree with the decision, you can formally appeal within 28 days of receiving:

1. by first applying to the Archives for an internal reconsideration of my decision; and
2. if you still do not agree with the decision, you can apply to the Administrative Appeals Tribunal for a review.

For more information please read the **National Archives Fact Sheet 12** *What to do if we refuse you access* ([www.naa.gov.au/about-us/publications/fact-sheets/fs12.aspx](http://www.naa.gov.au/about-us/publications/fact-sheets/fs12.aspx)).

**ACCESS APPLICATION TITLE**

**KIBEL, James Johnson  
PP 91/387, Vol 1**

Number of folios <b>TOTALLY EXEMPT</b>	1
Number of folios <b>OPEN WITH EXEMPTION</b> transferred to NAA	13
Number of folios <b>OPEN</b> transferred to NAA	5
Number of folios in the open access period	19

Folios that are **TOTALLY EXEMPT**: 8

Exemptions have been sought under paragraphs 33(1)(a), (d), (e)(ii) and/or (e)(iii) of the *Archives Act 1983*.

THIS FILE IS IN  
DATE ORDER

SECRET

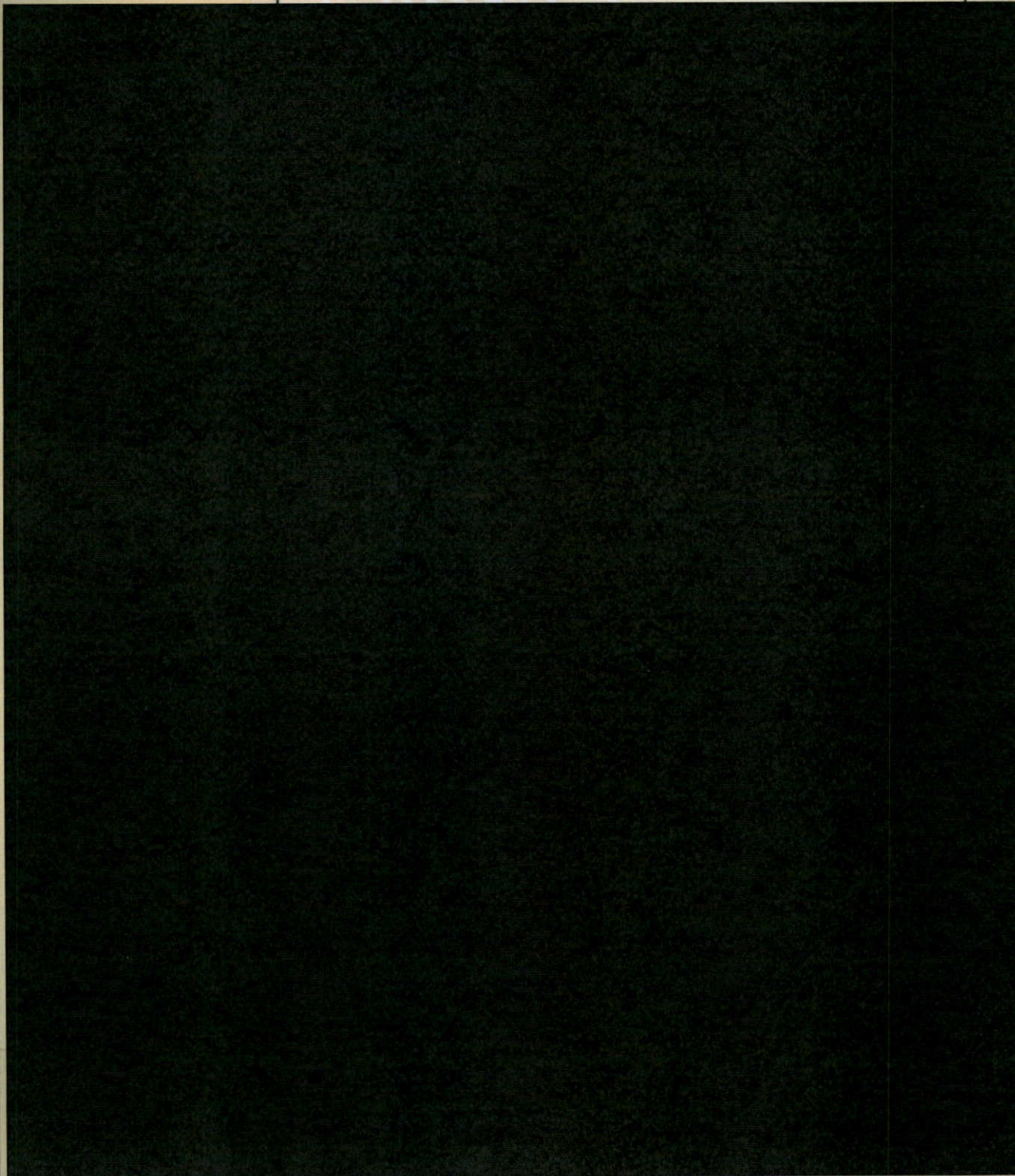
PP 91/ 387

Vol 001

KIBEL

JAMES JOHNSON

DoB 22/02/1940





# BASIC PARTICULARS

The particulars hereunder have been extracted from papers in this file by the Registry Staff.  
This information should be verified by Research Officers before they use it.

Subject   
Spouse   
Gender  M /  F

File number  
**PP 91/387**

### PRIMARY NAME

Surname **KIBEL** Given name **James Johnson**  
Title ..... Soundex/CCC .....

### Also Known As

1. Surname ..... Given name .....  
Title ..... Soundex/CCC .....

2. Surname ..... Given name .....  
Title ..... Soundex/CCC .....

3. Surname ..... Given name .....  
Title ..... Soundex/CCC .....

Date of birth **22 / 02 / 19 40** Place of birth .....

Nationality .....

File number/s .....

See Also .....

### ADDRESSES (Institution) .....

Home: Flat Number ..... Number ..... Street name ..... Suffix .....

Suburb ..... Town / City .....

State ..... Postcode ..... Year of information .....

Occupation **Company Director**

Employer .....

Telephone: Home ..... Business .....

Post Office Box No. .... Location .....

Passport No. .... Country ..... Date of Arrival in Australia ..... / ..... / 19 .....

Naturalisation date ..... / ..... / 19 ..... Number ..... Australian Visa Number .....

Drivers Licence No. .... State ..... M Reg Number .....

MF ..... / ..... / 19

**WARNINGS:** [Redacted]

Formerly (CCO) File number: **HQX 83/1543**

The above particulars are Up-To-Date as at.

Signature  
[Redacted]

1977 / 1991

Has contact with PRC

2

CONFIDENTIAL  
RR HQS  
VIC 2270 AD 677 19.12.85.

FOR E4A FROM AA1.

TELEX REPORT

NON GRATIS

COPY  
44/2/994

19-12-85

K/34/67

E4A

HQT 83/1543

T/35/13

██████████  
DOCN: 302694  
RDAT: 19.12.85  
IDAT: 17.12.85  
FROM: VIC  
CODE: ██████████  
SUBJ: PRC PURCHASE OF LAND IN AUSTRALIA

GEOFFREY WONG AND HENRY TSANG, OF ORIENTIMEX AUSTRALASIA PTY LTD, RECENTLY VISITED SERMAC PTY LTD TO PICK UP A PRC MALE. THE MALE INFORMED WONG AND TSANG THAT THE CHINA MACHINERY EQUIPMENT CORPORATION (CMEC), CURRENTLY IN A JOINT VENTURE WITH SERMAC, HAS PURCHASED LAND IN HEIDELBERG TO THE VALUE OF DLRS 700, 000. CMEC INTEND TO BUILD OFFICES AND A WAREHOUSE(S) ON THE SITE.

2. ██████████ SERMAC OWES CMEC DLRS M 1.9 AND THAT CMEC DOES NOT REALLY KNOW HOW TO GO ABOUT RECOVERING THE DEBT. ONCE THEY DO, THEY (CMEC) WILL BREAK AWAY FROM SERMAC.

3. SERMAC IS CURRENTLY BEING RUN BY "OLD MAN KIBEL." THE TWO SONS ARE NOT INVOLVED BECAUSE THEY HAVE HAD A FALLING OUT AND CANNOT WORK TOGETHER.

RCOM: "OLD MAN KIBEL" PIW KIBEL MARK ALEXANDER (TS) VPF 9619  
KIBEL PIW KIBEL BRIAN JOHNSON (TS) VPF 9616  
KIBEL PIW KIBEL JAMES JOHNSON (TS) VPF 9616  
TSANG HENRY I.W. TSANG SAU-FUK (HQ) T/35/13  
WONG GEOFFREY NA

44/2/270

30.3.84

H2783/1543

M7D

CONFIDENTIAL

RR TO: HQS VIC

PTH 220 (HQ)44/2/270 29.3.84

PRC JOINT VENTURE / SERMAC PTY LTD, MELBOURNE  
(SUBSIDIARY OF SERVIAN).

2.

[REDACTED]

*blat*

"SERMAC IS PARTLY OWNED BY PRC AND AT LEAST ONE CPG OFFICIAL IS EMPLOYED IN ITS MELBOURNE OFFICE. BELIEVE THIS OFFICIAL IS FROM CMECY. BRIAN KIBBLE RUNS SERMAC AND IS RUMOURED TO BE IN FINANCIAL DIFFICULTY AND HAS RECEIVED FINANCIAL ASSISTANCE FROM PRC TO KEEP THE COMPANY AFLOAT. THERE IS ALSO CONFLICT BETWEEN HIM AND HIS BROTHER JIM, WHO IS JEALOUS OVER BRIAN'S CONTROL OF SERMAC. THIS INTERNAL BICKERING HAS CONTRIBUTED TO FINANCIAL PROBLEMS. BRIAN ALSO WENT TO BEIJING LAST YEAR TO FORMALISE AGREEMENT BETWEEN SERMAC AND CMECY. HE HAD CONTACT WITH WANG SHIAOYU A SENIOR CMECY OFFICIAL WHO SPEAKS EXCELLENT ENGLISH. SERMAC'S PRICES ON IMPORTED PRC MACHINERY WERE RECENTLY REDUCED. AS SERMAC HAS LONG HELD A MONOPOLY ON IMPORTATION OF LARGE PRC MACHINERY, THIS FALL IS FURTHER SEEN AS A SYMPTOM OF THE COMPANY'S FAILING FORTUNES. THE PRC MAY BE FORCED TO LOOK ELSEWHERE IN EASTERN STATES FOR A REPLACEMENT IN DUE COURSE".

*HQT 83/1543*

3. REPORT TO FOLLOW LATER.

[REDACTED]

FURTHER INFO ON SERMAC ANTICIPATED.

012787

17 November 1983



CHINA TECH INC.

Thank you for your letter [redacted] of 19 September 1983.

2. The KIBEL family business, Servian Machine Tools Pty Ltd, has a long history of trade, initially with East European countries and from the 1960's with the PRC. In the period prior to Australia/PRC diplomatic relations the company was one of several which sponsored visits by PRC officials to Australia and also had company members regularly visit China for business negotiations. At that time the travel made those individuals somewhat unusual and several, including James KIBEL, viewed themselves as China specialists and on occasion sought publicity.

3. Servian Machine Tools specialised in the import and re-export of PRC produced machinery and held agency agreements with China Resources Company, Hong Kong for approximately 24 years. In 1982 James KIBEL entered into a joint venture with China Everbest Machinery Enterprises, 15 Playing Field Road, Block 7-9, Kowloon. China Everbest is itself a joint venture with China National Machinery and Equipment Export Corporation, Beijing, senior officials of which have been appointed to company positions in Hong Kong. Attached is a copy of a TA Kung Pao translation which provides background to the Everbest joint venture.

4. The Australian arm operated by KIBEL is Sernac Pty Ltd which has sponsored at least two delegations from the Corporation and one from Everbest to Australia. Apart from this long business association with East European countries and the PRC, the KIBEL family has not otherwise come to our notice.

5. MENTAFORD would seem to have a purpose similar to that of Everbest and which would seem a reasonable explanation for KIBEL's interest. KIBEL has a reputation for being a difficult person to know and in the past has acted irrationally often to the detriment of his business interests; that may in part explain the break with MENTAFORD.

*Thank you for your info. a.g.a. 18/11*

... /2

CONFIDENTIAL

[14]

2.

6. We apologise for the delay in our response to your request. Please be assured that we would be most happy to be of further assistance, particularly should your inquiries lead to an Australian link.

*A. J. R.*  
p. DIRECTOR-GENERAL OF SECURITY

CONFIDENTIAL

DRAFT

AGA:SJB

CONFIDENTIAL

HQT 83/1543  
44/2/270

[13]

*Approved  
18/16/83  
DOT  
(Chm c/AA) P/SLP*

*Please refer to ADG/E  
minute below. Draft  
response to [redacted]  
for your approval  
please*

November 1983

*a. s. g.  
S/E 4  
15/11/83*



CHINA TECH INC.

Thank you for your letter [redacted] of 19 September 1983.

2. The KIBEL family business, Servian Machine Tools Pty Ltd, has a long history of trade, initially with East European countries and from the 1960's with the PRC. In the period prior to Australia/PRC diplomatic relations the company was one of several which sponsored visits by PRC officials to Australia and also had company members regularly visit China for business negotiations. At that time the travel made those individuals somewhat <sup>unusual</sup> ~~unique~~ and several, including James KIBEL, viewed themselves as China specialists and on occasion sought publicity.

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... /2

CONFIDENTIAL

5. MENTAFORD would seem to have a purpose similar to that of Everbest and which would seem a reasonable explanation for KIBEL's interest. KIBEL has a reputation for being a difficult person to know and in the past has acted irrationally often to the detriment of his business interests; that may in part explain the break with MENTAFORD.

6. We apologise for the delay in our response to your request. Please be assured that we ~~are pleased to be of assistance~~ and would be most happy to be of further assistance, particularly ~~we~~ should your inquiries lead to an Australian link.

DIRECTOR-GENERAL OF SECURITY


**RESTRICTED**

[11]

HQT 83/1543

A.S.I.O.

**MINUTE PAPER**


Subject:  REQUEST RE James KIBEL

*14<sup>th</sup>* November.....1983....  
HEADQUARTERS

To

S/F4

*2-88  
15/11*

Attached is a reminder which has come in from  on this matter. I suggest that we will need to respond fairly promptly on this and that the suggestion which you made to R4 on 28 September is probably the course to follow. As KIBEL is an Australian citizen, our response should be approved by DDG before despatch.

  
ADG/E

**RESTRICTED**



S/N 6678/10

RESTRICTED  
RR TO HQS

7369 HLG 48/5/20 10.11.83

FOR S/SECT 2 AND ADG/E  
FROM PLO/HLG

LIAISON WITH [REDACTED]

ORIGINAL

R/LM.B.

~~AC/200~~

Would you please  
place on file & pass to  
someone who handles this  
enquiry - i.e. no doubt  
the person holding the files!

RY 29.101  
A/S. 101

INWARD

DISTRIBUTION  
Original on 10-11-83

14/1

S/SEC-2  
ADG/E JAP  
14/11/83

HQ 83/1543

1. [REDACTED] ADVISED HLG AM ON 10.11.83 THAT [REDACTED] HAVE SENT A REMINDER ON THEIR REQUEST FOR ABIO INDECES CHECK ON JAMES JOHNSON KIBEL WHICH WAS SUBMITTED ON 19.9.83. THE HEADING OF THE REQUEST WAS "CHINA TECH INC."

2. GRATEFUL YOUR RESPONSE ASAP.

NNNN

1545 AST

Reg. No.:  
Nat.:  
Born at: U.K.  
Born on: 22.2.1940  
Occupation: Company Director

KIBEL James Johnson  
VPF 9619

\*Address

NO 1 Palm Grove  
DEEPDENE WITHOUT  
VIC. VICTO

File Nos.:

Form R 32

\*Inf.: Shareholder Serviam Machine Tools Company  
R.D.VIC 773 of 28.2.58 on 3/3/63 not on file.  
~~L.O.H.K. 1254 of 29.10.69 on 65/12/108~~  
~~Extract Sund Aust of 19.12.71 on 53/3/9~~  
~~Extract National Times of 20/25.12.71 on 53/3/9~~  
\*Quote date VIC I.R. 533 5/74 of 4.1.74 on 65/11/355

*R4*  
*Would you*  
*wish to respond*  
*or should we*  
*comment*  
*to business ventures*  
*with PRC*

*Researched*  
*12/10*  
*Mark Hunter away*

*a.g.d.*  
*4/84*  
*28/9/83*

*IMB*  
*Marking*  
*R4 20/9.*

SECRET

65/11/355 [7]

NON GRATIS

NO: 5/74

EVAL. B.

I: 4.12.73.

VICTORIA.

CRFD. 2.

R: 4.1.1974.

CIVIL AVIATION AND GENERAL ADMINISTRATION GROUP, CHINA VISIT TO AUSTRALIA NOVEMBER, 1973.

The following were members of the delegation.

- Hu Ping (Leader), *2 Rel*  
Deputy Director, Traffic Department.
- *ic Peking 978 of 9/10/1973 on 65/11/355*  
Wang Tzu-chen (Deputy Leader), Asst. Chief,  
Forest Patrol Office, Shenyang Regional Administration.
- *as above*  
Wang Yen-Liang (Deputy Leader), Geophysical Engineer, Peking  
Regional Administration.
- *as above*  
Wang Fu-t sien, Chief, Flight Operations Section,  
Shenyang Regional Administration.
- *ic Peking 978 of 9-10-73 on 65/11/355*  
Chao Shang-pang, Asst. Chief, Flight Operations Division,  
Peking Regional Administration.
- *ic Peking 978 of 9/10/1973 on 65/11/355*  
Ting Pao-Kuei, Mechanical Engineer, Shanghai Regional Administration.
- *as above*  
Wang Chi-hui, Geophysical Engineer.
- *ic Peking 978 of 9-10-73 on 65/11/355*  
Chang Tse-pu, Associate Professor, Academy of Agriculture and Forestry.
- *ic Peking 978 of 9-10-73 on 65/11/355*  
Li Pei-te (Interpreter), Traffic Officer,  
Peking Regional Administration.

INDEXED  
13 FEB 1974

65/11/355  
7/1/74

(7)

2. On the evening of the 19th November in the Mezzanine Room "Oriental Gourmet", 112 Little Bourke Street, Melbourne the following persons attended a dinner to honour the visitors.

Dr. Jocelyn CHEY - Trade Relations Officer, Department of Trade.

*/ HQSV 19857* E. J. GAFFEY - Regional Director Victoria, Department of Trade.

*nl* G. J. CHURCHER - Manager, Government Aircraft Factory.

*W* V. P. CLAREY - Chief of Division Forest Protection, Victorian Forestry Commission.

*Pass TS 27320* A. H. GREEN - Acting Assistant, Director General, General Aviation Department, Department of Civil Aviation. *PV 77/2078 or TS 45433*

D. HEALY - Liaison Officer, Department of Trade.

J. J. KIBBL - Member Australia-P.R.C. Business Co-operation Committee.

G. STILLWELL - President A.C.S.

S. T. LCH - Vice President A.C.S.

E. J. MANN - Project Manager, Commonwealth Aircraft Corporation.

TAO KUO CHEN - P.R.C. Embassy.

3. On the evening of the 20th November the Chinese visitors attended a Chinese Community reception organised by Tim LOH at 154 Riversdale Road, Hawthorn. Present at the reception were many members of the Chinese Unity Association members.

Agent's Comment:

Jack LAZARUS claimed that Tim LOH made a serious error by inviting C.U.A. members and "Pam ELLIS and her friends" to the function rather than Chinese Fellowship and A.C.S. members.

TAC complained that many Australian officials believe his name is spelt as TSAO.

4. Case Officer's identification of persons recorded as being of security interest.

[REDACTED]	Pat (Pamela Gertrude)	ELLISE	3/10	(VPF 3832)
[REDACTED]	Jocelyn	CHEY		(A.C.T. personality)
[REDACTED]	James Johnson	KIREL		(VPF 9619) 4
	Seck Tim	LCH		(VPF 22485) 4/27/59
	Jack Malvern	LAZARUS		(VPF 3157) 4/11/21
5/74/3	Geoffrey Gray	STILLWELL		(VPF 18271) 5/74/3
	TSAO KUC	CHEN		(24/1/1)

5. 154 Riversdale Road, Hawthorn is recorded as the address of FONG KOON TING (VPF 22570).

\*\*\*\*

DISTRIBUTION:

HQ.R.	3
D.	1
D(Q)	4
R.	10
ACT.	1

Original on Vic. File 65/11/391

# THE IMAN BETWEEN



ONE MORNING in October, a nervous young Melbourne businessman stepped off a jet airliner at Hong Kong's Kai Tak airport. Some hours later, in an office at the Bank of China in Hong Kong's commercial heart, he officially accepted Australia's dialogue with China.

Well, not quite officially. The official opening was made five months earlier by Prime Minister Mr. McMahon after President Nixon announced his visit to China in the wake of the American ping-pong diplomacy. That was when Mr. McMahon promised a new "dialogue" with the People's Republic after 22 years silence.

It was at the meeting in Hong Kong that the first official communication between Chinese officials and the Australian embassy took place.

The meeting was held in secret. The businessman is James J. Kibel, 31, whose family runs a machine-tool manufacturing business in humble premises in the Melbourne suburb of West Brunswick. In the past five years, Mr. Kibel has emerged as the unofficial spokesman in Australia's somewhat hesitant efforts to open its new "dialogue" with China.

Mr. Kibel at the meeting in Hong Kong was the result of a chain of events that saw him plunged into a world of politics and diplomacy at the highest level. He is a man who neither aspires to understand, but one he enters with the sincere hope that his efforts could lead to a thaw in his country's relations with China.

which many of China's trade deals are made. During his visit to Peking in August, the Chinese suggested to Jim Kibel that the Australian Government send a minister to visit China. And when he returned to Australia, Mr. Kibel took the proposal to Canberra.

As Jim Kibel recalls it, the invitation was official, but offered in a casual way without a specific government member in mind. He was simply asked: "Do you know an Australian minister?"

"And he did. As a member of the Baiyun branch of the Liberal Party, he had come to know his local member, Andrew Peacock, quite well. Besides, Mr. Peacock had an attractive wife Susan, who would add glamour to what the Chinese hoped would be a highly publicized mission. Mr. Kibel suggested Mr. Peacock and the Chinese were delighted.

## Exciting offer

Excited by the offer, Mr. Kibel returned to Australia and immediately consulted Mr. Peacock. The young and ambitious minister jumped at the opportunity. He invited Mr. Kibel to Canberra and won an audience for him with Mr. McMahon. Then followed several trips to Canberra, a couple of lunches with the Prime Minister and talks with various foreign affairs experts.

Mr. Kibel had joined the big league. Mr. McMahon, keen on winning back some initiative gained by Mr. Whitlam's former "war" and President Nixon's tentative trip, was in favor of Kibel. But he listened to a couple of other advisers, particularly the Foreign Affairs Minister, Mr. Peacock, who were not and Mr. Peacock's staff was not. Mr. Peacock, Mr. Kibel was encouraged to continue the talks with the Chinese, who eventually broke the news to the Chinese that they had accepted the offer.



JAMES KIBEL (LEFT) AND MR. PEACOCK

Richard Zachariah reports on the secret dialogue with China

week. "But at the same time it is costing this family and this business a hell of a lot of money and a hell of a lot of headaches."

Mr. Kibel said his son's frequent visits to Hong Kong during recent months had been paid for by the firm. He estimated the cost of wading diplomacy for Australia at "several thousands of dollars."

"Apart from the thousands of dollars, my son Jim is getting himself into a position where he can only get kicked," he said. "There is no real reward. No one is going to make him Prime Minister or anything. If anything goes wrong, they just kick you out."

## Missions ended

Why an individual should be left with all this responsibility and all the kick-backs is beyond me. The Government's attitude to the whole thing is absurd.

Although his missions have ended so far in disappointment and frustration, Mr. Kibel will continue the talks with the Chinese with the blessings of the Australian Government. His brother Brian, 37, will go into China next week and is certain to raise the issue with the Chinese.

Jim Kibel himself is a cheerful, intelligent and energetic man who has a diploma in engineering but concentrates mostly on the business contact side of the importing business. He is also the Australian distributor for the Japanese electrical company, Mitsubishi.

Like his father, he has strongly critical views of the Australian Government's handling of China as well as of the Chinese. Mr. Kibel appears to be enjoying his new role as a contact with the Chinese. But he recognizes that he is caught up in a political situation. "I must go to Peking, either by invitation to appear."

Mr. Kibel is full of praise for the Chinese as businessmen. They are honorable, straight-forward and polite," he says.

He has grown to like the men he has been doing business with since his first visit to China in 1962 at the height of the Cultural Revolution.

He deals mostly with officials of the Chinese Trade Corporation, which ranks above foreign affairs in Chinese status. Although these officials continually deliver the party line and often admonish the Australian Government, the Chinese, he says, entertain lavishly and he has been treated to dinners which run to 27 dishes.

Mr. Kibel talks also of a code among visiting businessmen in China. "You don't ask each other what business you are doing. It is much easier that way and you avoid any trouble," he said.

Although he is critical of the Australian Government's attitude, he is keen not to prejudice what he says in the inevitable recognition and trade between the two countries.

Mr. Kibel says many of the Australian Government's previous statements about China were insulting and based on information from biased British and American intelligence sources.

## They don't forget

"A lot of the information we were getting was so politically biased that it was ludicrous," he says. "But still our politicians persisted in talking about the Chinese as if they were little green monsters with antennae. It was very insulting. The Chinese don't easily forget those words of insult."

Mr. Kibel appears to be enjoying his new role as a contact with the Chinese. But he recognizes that he is caught up in a political situation. "I must go to Peking, either by invitation to appear."

## Importing company

Mr. Kibel's unexpected involvement in the dialogue with China began this year when he returned from a business visit to

brothers, he runs a firm of importers called Mark Raymond Pty Ltd. The four of them are the nearest thing in Australia to experts in trading with China.

The family firm has dealt with the Chinese since the mid-1950s and is the official representative in this country of the China National Machinery Import and Export Agency. Twice a year at least, one of the family attends the Canton Trade Fair when China puts its goods on display and at

between August and October he made five visits to Hong Kong, and on one of them crossed the border and visited Peking.

In October Mr Kibel was in Honolulu addressing a conference of American businessmen organised by the National Committee on U.S.-China relations. Because he was expert on conducting business with the Chinese the Americans were eager to listen.

One day Mr McMahon rang Mr Kibel in Honolulu

and asked him to go to Hong Kong to conduct another meeting with the Chinese. The Government would pay for the flight.

Mr Kibel did as he was asked. The Australian Trade Commissioner in Hong Kong was also at the meeting with the Chinese government and trade officials. It was his first official contact with the Peking Government. He had accompanied Mr Kibel at the request of the Australian Government.

At this meeting the Chinese confirmed and repeated their invitation to an Australian minister to go to China. Once again, it seems, the invitation was turned down on Canberra's orders.

Mr McMahon has made only one passing reference to this invitation in public. In the House of Representatives on October 12, Mr Whitlam asked the Minister for Trade, Mr Anthony, about the trade mission proposal. "Now that the emissaries have returned," he

asked, "was the Government in a position to announce details of the mission?" Mr Anthony appeared puzzled and began his reply: "I am not sure which emissaries you are referring to. I am afraid that I have not."

Then Mr McMahon interjected: "The ministerial emissaries."

The speaker asked Mr Whitlam to explain, and Mr Whitlam repeated his question.

Mr Anthony seemed even more puzzled and gave an irrelevant answer about Australian businessmen attending the Peking Trade Fair.

Mr Anthony can be forgiven. Until that day in Parliament Mr McMahon had kept Mr Kibel's mission very much to himself. Mr Peacock and Mr Bowen, Mr Anthony did not even know of the invitation to Mr Peacock.

When the Prime Minister subsequently told him about it after question time, Mr

Anthony was not impressed. He was in fact a little angry. He did not like the idea of a junior Liberal minister meddling in his area and apparently urged the Prime Minister to try to get a trade mission in.

Mr Bowen was also cautious about the invitation, although his department was in favor of it. Any minister, the diplomats argued, would be better than no minister.

Under pressure from Mr Anthony and also fearful of how the DLP would react to a visit, Mr McMahon decided to turn down the opportunity. Mr Peacock, it was decided, should stay at home.

Australia sent a counter-proposal to the Chinese that they should accept a trade mission. The news that this alternative has been rejected by the Chinese was received in the past few weeks.

WHY WAS Mr McMahon so reluctant to follow up the chance? He had dearly wanted to take some dramatic step to improve Australia's relations with China. The Labor Party had made all the running in the debates about China this year, and Mr McMahon could see the inevitability of China being recognised. He didn't like playing second fiddle to Mr Whitlam, and wanted to be the man who established normal relations between the two countries.

But what Mr McMahon likes and what Mr McMahon gets have often proved quite different. The Prime Minister has found himself very tightly constrained by many things: a party which for years has preached the doctrine of the Yellow Peril cannot cast aside the fear-mongering mentality overnight. And even if Mr McMahon would like to, the Democratic Labor Party, is there to see that he doesn't.

AUSTRALIANS trading with China have had to talk long and hard to win business. Trading links with China are at best tenuous, slow to get established, and in need of constant renewal.

Methods of trading with China are as alien to most Australian businessmen as the carrying of diplomatic pouches. All of China's foreign trade is conducted through State trading corporations, each responsible for trading in different commodities, and each with headquarters in Peking.

Australia has had a patchy trade record with China, selling a peak \$125.8 million worth of goods in 1965-70. This was boosted by big wheat sales, and declined to \$62.2 million in 1970-71, when the wheat

sales were lost. The balance of trade is strongly in Australia's favor and this, too, poses a constant threat to our trade. Australia bought only \$31.8 million worth of goods from China in 1970-71, a fall of about \$500,000 on the year before.

Businessmen seeking to break into the China trade can do it only through the State trading corporations, setting out their proposals (in scintillating and waiting for a response.

A major drawback to the trading corporations is their size and the vast number of products they handle. Businessmen recommend that if no response to an approach is received within three or four months, then new submissions should be made.

## Invitation sent

But after the delays and red tape of the trading corporations, the Chinese are great believers in personal horse-trading before settling on a contract.

If they like the sound of a trade offer, they generally send an invitation to one of the Chinese export commodities fairs held twice a year at Kwangchow (formerly Canton) in April-May and October-November.

While this means there is a good chance of doing business, a successfully negotiated contract is not by any means assured, as the international manager of BHP, Mr Brian C. Rowe, discovered at the last fair. He received his invitation to the October-November Kwangchow Fair and packed his bag with high hopes of settling major pig iron export contracts. He missed out.

THE KIBEL FAMILY are well experienced in these procedures. Jim's father, 64-year-old Mr Mark Kibel, an engineer in England, began the family business in Melbourne 31 years ago after migrating with his family.

Mr Kibel, Senior plans to visit China after Christmas. He is a tough Tyne-side, and promises some straight talking with the man he has dealt with over the 16 years he has been doing business in China.

He believes his son's extraordinary political and diplomatic involvement is worthwhile in a personal sense, but is cynical that the Australian Government should conduct its diplomacy in such a manner.

"Jim is doing it because he believes it's the right thing to do," he said last

Research in Canberra by RICHARD FARMER in Sydney by WARREN BEEBY.

'Australia is still a running dog of the US'

# 'Recognise Peking' urges James Kibel, our 'man in China'

By TREVOR HAWKINS



James Kibel . . . "We may have to wait our turn."

James Kibel, 31—the man who almost brought about an official dialogue between Australia and China—would seem to have plenty of good credentials to join the Australian Labor Party.

He is, he says, anti-Vietnam, anti-United States foreign policy and anti-tariff protection.

The latter anti—"Tariff protection is used indiscriminately in this country"—is, perhaps, the most understandable in view of the fact that his business is export-import.

But it is ironic that in spite of all these things, his political sympathies are distinctly Liberal.

In spite of his being accused occasionally of being a "dirty com," of being anti-Australian and a variety of other things, he is a close friend of Army Minister, Mr Andrew Peacock, and enjoys the Melbourne social whirl.

It was through his friendship with Andrew Peacock that he was chosen by the Federal Government to put out feelers in China as to the chances of an official dialogue between the two countries.

The Kibel group of companies — Mark Raymond Pty Ltd, importers and distributors of electrical appliances, sporting goods and heating equipment, and Servian Industries, importers and manufacturers of precision machine tools — have been trading with China for 16 years. James Kibel, his brother Brian, 37, and his father, Mark, are directors of both companies. Mark is chairman, Brian managing director and James secretary of Servian. James is managing director of Mark Raymond.

The Kibel family does most of its business through the various Hong Kong Government agencies housed in the Bank of China Building in Hong Kong. It is believed to be at this

level that James Kibel was approached to make the offer of a 10-day tour of China to a member of the McMahon ministry (reported exclusively in last week's "National Times" in answer to his earlier feelers on behalf of Mr McMahon about the chances of "conversations").

## The offer was rejected

He visited Hong Kong in August this year and again in September and October. On each occasion he had talks with the Chinese Government of the People's Republic of China. He also had talks with Ng Fung Hong, the cereals and foodstuffs agency in Hong Kong, though he refuses to discuss when and where he was contacted at a political level, Kibel understood to have discussed the matter on each occasion. On the final occasion in October it is believed the invitation was officially placed on their products from time to time. The Prime Minister, Mr McMahon, in a country. He said: "We should realise now discuss trade, diplomatic relations and questions of mutual interest.

While the Government remains tight-lipped about the offer and its reasons for vetoing the visit, it is understood Mr McMahon has indicated he might be interested after President Nixon makes his official visit in March of next year. But the Chinese are still calling Australia "one of the running dogs of US imperialism" and, according to Kibel, are "therefore more-inclined to have a good long talk with the master rather than talk to the dog."

It is considered the Chinese might not be so receptive if rebuffed in such an obvious fashion. Says Kibel: "If we don't do it now then we may have to wait our turn. That could be a long wait. All . . . visit China at least twice a

year. In addition they regularly go to Hong Kong to talk with the Government agencies about trade prospects as well as political affairs. James Kibel claims it is difficult to get into China unless the Chinese want you there. He says: "If you can't show good reason why you want to go there and why your business could not be as easily conducted in Hong Kong it is not easy to get a visa to go in. It's very difficult for them to organise."

Kibel sees the long-term prospects of trade with China as very good as far as Australia is concerned. He says: "I think they would like to conduct business with us on the same basis as they do with Canada. They are proud of their country and they want to be recognised first."

Kibel claimed the Chinese were not happy about the imbalance of trade between the two countries. Neither were they exactly ecstatic about the tariffs and dumping duties being placed on their products from time to time. He said Australia was internationally and parent country. He said: "We should realise now discuss trade, diplomatic relations and questions of mutual interest.

and pretty soon, we are going to run into a lot of problems in our trading with China."

Kibel believes Australia's failure to attract any substantial wheat contracts from China have been because of our reluctance to establish better political relations. He says the Chinese believe recognition of their country as a legitimate political entity is a pre-requisite to any extensive trading with that country.

"Wherever possible they trade on a political basis and they don't mind who knows it," he says. "It is therefore unrealistic for us to approach them on any other basis. They regard trade as secondary to political acceptance."



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TELEGRAMS & CABLES: "AUSTRADE" HONG KONG

AUSTRALIAN GOVERNMENT TRADE COMMISSION HONG KONG TELEPHONE: 35001

9TH FLOOR, UNION HOUSE CONNAUGHT ROAD P. O. BOX 820

AUSTRALIAN GOVERNMENT MIGRATION OFFICER

CONFIDENTIAL ORIGINAL

Headquarters A.S.I.O.

1254

29th October, 1969

AUSTRALIAN TRAVELLERS TO CHINA

Attached please find a Police Special Branch border crossing list for period 19th - 25th October, 1969.



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5	SSB
6	
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Form W/L 10

S.B. (A.5) LOWU BRIDGE OUTGOING DAILY REPORT

DATE 26.10.69.

AUSTRALIA WEEKLY FIGURE RETURN

NAME SFX OCCUPATION	NATIONALITY	HONG KONG ADDRESS	NUMBER, DATE, PLACE OF ISSUE OF TRAVEL DOCUMENT	DATE LAST ARRIVAL HONG KONG	arr A S Sea
11. <u>COLLINS David John</u> (m) Merchant <i>19/10.69</i>	<i>Supp of</i> Australia	<i>12-4-65 on 65/12/108</i> Mandarin Hotel	PP.No.G217221 Sydney 9.8.66	16.10.69	J
12. <u>SURGEON Edward James</u> (m) Director	"	Hong Kong Hotel	" G349722 " 8.11.67	17.10.69	'
13. <u>KIBEL James Johnson</u> ✓ (m) Unk.	"	Ambassador Hotel	" G310168 Melbourne 21.7.67	16.10.69	'
14. <u>GLASER Ernst</u> (m) Merchant	"	"	" G548882 H.K. 17.10.69	17.10.69	"
15. <u>KING James Leopold</u> ✓ (m) Merchant	"	Ambassador Hotel	" G379473 H.K. 18.4.68	13.10.69	"
<i>20.10.69</i> <i>19823 IN NSW 3897 11-9-68 on 65/12/108</i> <u>APPLETON Richard</u> (m) Merchant	"	"	" G446465 Australia 20.9.69	17.10.69	"
2. <u>CRAIGIE Thomas T.</u> (m) Merchant <i>Thomas F.?</i>	"	Palace Hotel	" G548876 H.K. 13.10.69	12.10.69	U
3. <u>CHEN Eric James</u> (m) Unk.	"	Hong Kong Hotel	" G424834 Sydney 21.6.68	18.10.69	A
4. <u>MacDONALD Colin Keith</u> ✓ (m) Unk.	"	Park Hotel	" G569471 Melblourne 3.9.69	18.10.69	"
5. <u>SH Reginald J.</u> (m) Merchant	"	Ambassador Hotel	" G277820 " 4.4.67	17.10.69	'

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