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Aviation Timor (Portuguese) (Until April, 1938)

101

No. Aviation
Timor (Portuguese)

EXTERNAL AFFAIRS DEPARTMENT.

Subject: Aviation

Timor (Portuguese)

5000.

(until April, 1938)

Department of External Affairs (II), correspondence file alphabetical series:
'Aviation - Timor (Portugese)', 1938.
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BRITISH CONSULATE-GENERAL,
BATAVIA.

April 29th., 1938.

24 MAY 1938

Sir,

I have the honour to acknowledge the receipt of your letter of the 5th April, in which you were good enough to inform me that His Majesty's Government in the Commonwealth of Australia has decided against the establishment of an air connection with Dilli.

2. In regard to your request for information as to further developments in this matter, I have the honour to inform you that the Manager of K.N.I.L.M. informed me in conversation a week or two ago that the Government of Portuguese Timor has lately been showing interest in the possibility of the establishment of air connection with the Netherlands East Indies by a service of K.N.I.L.M. and the matter was now receiving consideration. I said that this sounded very satisfactory, and that I hoped such a line might materialise.

I have the honour to be,

Sir,

Your most obedient Servant,

His Majesty's Consul-General.

COPY TO DEFENCE DEPT.inf. & PRIME MINISTER'S DEPT
26.5.38.

CM

The Minister for External Affairs,
C A N B E R R A.

F

-CTM.MH

CANBERRA. P.C.T.

5th April, 1938

Sir,

With reference to your air mail despatch of the 5th January, 1938, concerning air communications with Portuguese Timor, I have the honour to inform you that after giving full consideration to the question raised in the seventh paragraph of your despatch, His Majesty's Government in the Commonwealth of Australia has decided that it would be impracticable to establish or support an air connection with Dilli.

His Majesty's Government in the Commonwealth of Australia has nevertheless found the information contained in your despatch to be of great interest, and, while regretting its inability to take any active steps in the matter of air services, it would be pleased to receive information as to further developments.

I have the honour to be,

Sir,

Your obedient servant,

(Sgd.) W. M. HUGHES,

Minister for External Affairs.

His Britannic Majesty's Consul-General,
British Consulate-General,
BATAVIA.

COPY TO DEFENCE DEPT. inf.
7.4.38.

W.M.H.
Copy to P.M.'s Dept
11.4.38

W.M.H.



COMMONWEALTH OF AUSTRALIA.

DEPARTMENT OF DEFENCE.

No. S.S. 42.

MELBOURNE, S.C. 1.

SECRET

30 MAR 1938

29 MAR 1938

MEMORANDUM for :

The Secretary,
Department of External Affairs,
CANBERRA F.C.T.

PORTUGUESE TIMOR

1. With reference to your memorandum of 12th January 1938 and previous correspondence on the subject of the development of Australian influence in Portuguese Timor, it is noted from your memorandum of 29th September 1937 that the Government has been seized for some time with the desirability of precluding Japanese interests from obtaining a predominant control over Portuguese Timor. From the point of view of the development of air communications to this end, it is now clear that it is impracticable to extend the Empire Air Mail Scheme to include Dilli. It would be possible to provide an air service from Australia, terminating at Dilli at an estimated annual cost of £5,000, but although such a service would be of advantage as a factor in the extension of Australian influence in Portuguese Timor, there appears to be little prospect of the service becoming self-supporting.

2. The Defence Committee consider that from the aspect of Australian Defence, there are no features which would make it desirable to expend on this service, monies otherwise available for our own Defence needs and which are required for the maintenance of our defences on a satisfactory basis.

Nevertheless, it is appreciated that on broader political grounds, any action which would be instrumental in the development of Australian influence in Portuguese Timor should be encouraged, and this memorandum might be read in conjunction with my secret letter of 6th December 1937 (concerning Yampi Sound Iron Ore Deposit), which touches upon the question of Japanese penetration in North Australian waters.

M. Goodie

Redhead
Secretary.

*Copy of letter
Memo 12 Jan 38
Memo 29 Sep 37*

Copy to P.M.'s Dept

11.4.38

Ullm

CTM.MH

16th March, 1938

MEMORANDUM TO:-

The Secretary,
Department of Defence.

PORTUGUESE TIMOR - AVIATION.

With reference to my memorandum of the 12th January, 1938, forwarding a copy of a despatch from the British Consul-General at Batavia in relation to the above subject, I should be pleased to receive your advice at your early convenience.

(Sgd.) W. R. HODGSON

Secretary.

Sent 22.3.38

22

CTM

CTM/MY

12th January, 1938.

MEMORANDUM TO:

The Secretary,
Department of Defence.

PORTUGUESE TIMOR : AVIATION.

I am forwarding herewith a copy of a despatch received from the British Consul-General at Batavia in relation to air communications with Portuguese Timor for favour of consideration and advice as to the nature of the reply to be made to the suggestion in paragraph 7.

A copy has also been sent to the Prime Minister and to the Department of Commerce.

In this connection I would invite your attention to the replies received from the Consul-General at Batavia to the questionnaire on Portuguese Timor submitted in a letter to him dated 26th November, 1937. A copy of these replies is being sent to you under a separate memorandum.

(Sgd.) W. R. HODGSON

Secretary.

Copy to P.M.'s Dept.

11.4.38

amm

12

3

amm

CTM/MY

12th January, 1938.

MEMORANDUM TO:

The Secretary,
Department of Commerce.

PORTUGUESE TIMOR : AVIATION.

I am forwarding herewith a copy of a despatch received from the British Consul-General at Batavia in relation to air communications with Portuguese Timor, and would invite your attention to the suggestion in paragraph 8 that Mr. Peterson might discuss this and other questions with the Governor of that country.

A copy of this despatch has also been sent to the Prime Minister and to the Department of Defence.

(Sgd.) W. R. HODGSON

Secretary.

Commerce Dept rang Col. Hodgson
& Mr. Peterson wd. be unable to
visit the Governor of Timor as
suggested.

MMY

BRITISH CONSULATE-GENERAL,
BATAVIA.

January 5th., 1938.

BY AIR MAIL.

42 JAN 1938

CONFIDENTIAL:

Sir,

mcum

As you are already aware from my despatch No.130 of the 2nd September last (of which I had the honour to send a copy to the Prime Minister of Australia), the Governor of Portuguese Timor had then informed me of his desire for air communication with Timor, preferably by a British line, I spoke to Mr. Hudson Fysh, Managing-Director of QANTAS on the subject when he passed through Batavia on September 1st, and he then wrote both to his directors and to the Administrator of North Australia, so I presume that the matter has already received the attention of the Commonwealth authorities.

2. Mr. Hudson Fysh duly consulted with the Air Ministry and Imperial Airways on reaching London, and I have been informed by the Foreign Office that the conclusion has been unanimously reached that "Dilli is not suitable as an alternative to Keepang, and that it would not be

"justifiable

Extra copy on back of file

The Minister for External Affairs,

CANBERRA.

=====

Copy sent to Prime Minister

12/1/38

CMU



"justifiable at the present time even to survey it. The reasons are as follows:-

- (a) It is very exposed from North-West to North-East.
- (b) It is obstructed by very high mountains from the East, through South to the West.
- (c) It increases the mileage of the Empire route by 75 miles as compared with going through Koepang".

3. This conclusion seems definitely to rule Dilli out of the main route, and if I now merely pass the Air Ministry's view to the Governor of Portuguese Timor without further observations it may well seem to him to close the door on the possibility of any British air connection, and to leave only the alternatives of a Portuguese, Dutch, or possibly Japanese, service.

4. Of these alternatives the Portuguese themselves would no doubt prefer a Portuguese service, though it might be difficult for Portuguese Timor to establish it without the assistance of foreign capital. Unless such foreign capital is promptly forthcoming from British sources - which the economic prospects of such a service scarcely seem to render probable - the source from which capital would most easily be available is likely, to judge from recent developments in Timor, to be Japanese.

5. The second alternative, a Dutch service from Koepang, may seem the most practicable and desirable from



our point of view. The Koninklijke Nederlandsch-Indische Luchtvaart Maatschappij (K.N.I.L.M.) have, moreover, already applied to the Governor of Portuguese Timor for permission to run such a service, but, as the Batavia representative of the Company informed me a few days ago, have not yet obtained a reply. It seems that the Koninklijke Luchtvaart Maatschappij (K.L.M.) have recently negotiated with the Portuguese Government for the use of a landing station in the Cape Verde Islands for their service to South America, and that in return the Netherlands Government have accorded permission for the Portuguese to run a service from Dilli to Keepang. This opening was, however, not made reciprocal, so no permission has yet been given for a Dutch line to Dilli. It is, I think, by no means certain that the Portuguese authorities will readily grant permission for such a service. During Mr. Consul Lambert's recent tour to Portuguese Timor the Governor made no concealment of his mistrust of Dutch friendship, and that impecunious colony's experiences for many years of the exorbitant freights of the quasi-monopolist Koninklijke Paketvaart Maatschappij seems to have generated a certain aversion from dependence on Dutch facilities. It is therefore possible (though this is of course only conjecture) that if a Dutch connection is the only alternative, the Portuguese authorities may be more disposed to consider admitting Japanese capital for an air service than they would if there were any prospect either of an Australian service or of Australian support for a line from Dilli.

Dilli.

6. In regard to the third alternative , a Japanese line, I am not aware that any overtures have yet been made to this end, and the present Governor of Timor is not likely to favour such a development. I have, however, already brought the growing Japanese interest in Timor to your attention, and it seems unlikely that Japan intends Palao to remain for all time the terminus of the recently arranged "southern air service" from Tokyo to that island. If, therefore, she acquires in Timor an increasing ascendancy, as there is still some reason to fear, she might well become interested in an air service. On the whole, the establishment of a Japanese extension line from Palao to Timor seems less likely at the moment than Japanese investment, if opportunity offered, in a line from Dilli to Keepang or elsewhere.

7. In view of the obvious undesirability of any opening developing for Japan to interest herself in air communications in Timor, therefore, the Commonwealth Government may, despite the unfavourable decision in regard to Dilli as a port of call on the main air route, desire to give further consideration to the question of establishing or supporting an air connection with Dilli. I shall, therefore, be very grateful if you will kindly inform me at an early date whether I may, after now communicating the Air Ministry's views to the Governor of Portuguese Timor, hold out to him any prospect of further consideration being given



- 5 -

given in Australia to this question.

8. If Mr. Peterson, the newly appointed Australian Government Commissioner to the Netherlands East Indies, finds it possible to visit Portuguese Timor in the course of his journey to Java it might be worth his while to discuss with the Governor of Portuguese Timor in a general way the question of air communications, as well as other matters in Timor which are of interest to the Commonwealth Government.

9. I am, of course, sending a copy of this letter to the Foreign Office.

I have the honour to be,

Sir,

Your most obedient Servant,

His Majesty's Consul-General.



2, WHITEHALL GARDENS,
LONDON, S. W. I.

CONFIDENTIAL

COMMONWEALTH OF AUSTRALIA.
DEPARTMENT OF EXTERNAL AFFAIRS.

H.42.

Air Mail
Due to arrive

11.12.37.
25.12.37.

MEMORANDUM TO:-

The Secretary,
Department of External Affairs,
CANBERRA.

TIMOR.

Last letter H.38.

In continuation of H.29 paragraph 1 (b), and H.32 paragraph 2, in the latter "H" letter I enclosed a copy of a letter to the Consul-General at Batavia from the Governor of Portuguese Timor, stating that the assistance of the Portuguese Minister of the Colonies had been requested in connection with the proposal for an air service to Dilli.

Copies of correspondence between the British Chargé d'Affaires at Lisbon and the Portuguese Minister of the Colonies have now come to hand. Mr. Bateman *and the Minister* discussed the possibility of linking Dilli with the main route of Imperials Airways, towards the end of October. On 17th November he advised the Minister that he had just learnt from London that the question had been fully gone into by experts. They had come to the unanimous conclusion for purely technical reasons that Koepang was preferable to Dilli as a landing ground. Reasons (a) and (b) (set out in paragraph 2 of H.32) were cited.

The Minister replied to Mr. Bateman on 23rd November, expressing his regret at the conclusion reached by the British experts. He added that while bowing to their decision "il serait en effet très intéressant, non seulement au point de vue strictement colonial mais aussi sous d'autres aspects, que Timor fut servi par une Compagnie aérienne anglaise".

Alfred Stirling

Copy to Defence Dept.

Copy to Defence Dept. 24.12.37.

Just

2 Jan

2 Whitehall Gardens,
London, S.W.1.

Commonwealth of Australia,
Department of External Affairs.

H. 32.

Air Mail 10.11.37
Due to arrive 24.11.37

MEMORANDUM TO:-

The Secretary,
Department of External Affairs,
CANBERRA.

TIMOR.

In continuation of H.29, you will have had telegram No.131 reporting a conversation (28th October) on the Staughton concession between the British Counsellor in Lisbon and the Portuguese Minister for the Colonies. At the same time Mr. Bateman gave the Minister the gist of Batavia despatch No.140 E. of 14th September (1) and expressed concern at this new indication of Japanese penetration in Timor. In reply the Minister said that Soci  t   Agricole had recently increased their capital and that some part of the increase had been taken up by Japanese interests. The majority both of shareholding and of voting power still remained, however, in the hands of the Portuguese. He added that while he would have objected to the transfer of large blocks of existing shares, he could not reasonably oppose a capital increase designed to augment the company's activities. He promised to keep a sharp watch on Japanese activities in Timor in collaboration with the Governor.

2. With reference to paragraph 1 (b) of the above letter and to Batavia despatch No.125 of 30th August, I enclose a copy of a letter (2) to the Consul-General at Batavia from the Governor of Portuguese Timor stating that the assistance of the Portuguese Minister of the Colonies has been requested in connection with the proposal for an air service to Dilli. In the meantime, however, discussion of the proposal between Mr. Hudson-Fysh and representatives of the Air Ministry and Imperial Airways has led to the unanimous conclusion that Dilli is not suitable as an alternative to Koepang, and that it would not be justifiable at the present time even to survey it. The reasons are as follows:-

- (a) It is very exposed from North-West to North-East.
- (b) It is obstructed by very high mountains from the East, through South to the West.
- (c) It increases the mileage of the Empire route by 75 miles as compared with going through Koepang.

(SGD.) J.D.L. HOOD.

(1) See paragraph 2 of H.29.
(2) Annex "A".

F

COPY

ANNEX A.

From the Governor of Portuguese Timor, Dilly, to
Consul-General Fitzmaurice, Batavia.

No. 127

CONFIDENTIAL:

GOVERNMENT PLACE,
Timor-Dilly,

29th September, 1937.

Dear Sir,

I am extremely obliged to your esteemed letter with reference to our conversation in Batavia regarding the desirability of an air connection with Dilly and for the information you have kindly sent to me on this subject.

This is a question that, in my personal opinion, I must look at with interest, for all the reasons we have spoken about in our conversation.

Since my arrival I have been carefully collecting information and I have just sent a wire to my Minister of Colonies reporting the most important of it and asking his assistance according your information in order to obtain an air service to Dilly where we have a very good ground for aerodrome, and has been already used for this purpose, and a safe bay for the hydros.

Meanwhile I should suggest if Mr. Hudson Fysh could address directly our Colonial Office in Lisbon on the subject, because this is a question that only can be despatched in Lisbon.

I thank in anticipation for your further news, and with the assurance of my high consideration.

I remain, etc.

(Signed) ALVARO EUGENIO REVES DA FONTOURA.

COPY

2 Whitehall Gardens,
LONDON, S.W.1.

Commonwealth of Australia
Department of External Affairs.

H.29

Air mail - 30.10.37
Due to arrive - 10.11.37

MEMORANDUM TO:-

The Secretary,
Department of External Affairs,
CANBERRA.

TIMOR

The following is a note on three recent developments of which you will no doubt have been informed already either directly from the British Consul-General at Batavia or from other sources.

(a) Consular visit to Timor.

The suggestion was made in a recent despatch from the Consul-General at Batavia that an official investigation on the spot of conditions in Portuguese Timor would be well justified in present circumstances. It was proposed that the visit should be made by Vice-Consul Lambert, who is at present, I understand, at Batavia, and that among its objects should be to ascertain the extent, if any, of Japanese penetration and the attitude of the Portuguese authorities towards foreign concessions. The suggestion has been approved and it has been pointed out that the visit is likely to prove as valuable to the Commonwealth as to the United Kingdom Government. It has also been suggested that the Commonwealth Government might care to prepare a questionnaire and forward it to Consul-General Fitzmaurice at Batavia on which Mr. Lambert would obtain information. It is at present intended that Mr. Lambert should leave Batavia on 14th December.

(b) Air connection with Dilli.

The suggestion made by the new Governor of Portuguese Timor for a regular air connection between Dilli and the outer world, preferably by a British Company, was reported fully in Batavia despatch No.125 of 30th August last. The proposal was further discussed between the Consul-General and Mr. Hudson Fysh on the occasion of the visit of the latter to Batavia shortly afterwards. Mr. Hudson Fysh expressed himself on that occasion as personally in favour of such a connection with Dilli if it proved practicable and he told Mr. Fitzmaurice that he would take the matter up with Imperial Airways and the Air Ministry in London. On arrival in London Mr. Fysh wrote in this sense to the High Commissioner and it is understood that he has since been in consultation with the Air Ministry, with what results it is not yet known. Meanwhile the Consul-General's reports on these conversations had aroused interest in the same quarters in the Foreign Office referred to in H.16. It was pointed out that the proposal to include Dilli in the Qantas Empire Airways route between Singapore and Darwin might conveniently be linked with the other suggestion now on foot for an of Australian influence in Portuguese Timor, namely, development of the Staughton oil

concession. The view was expressed that if the hoped-for exploitation of the concession went through the Commonwealth Government might find that the logical consequence was the development also of communications with Portuguese Timor. With this in mind a Foreign Office enquiry was made of the Air Ministry as to the feasibility on practical grounds of including Dilli on the Singapore-Darwin route. The Air Ministry replied, however, that from an operational point of view Koepang was preferable and that there were sufficient difficulties already in the establishment of the route without the additional one which the inclusion of Dilli would involve. An important point was that the accuracy of the weather reports essential for crossing the Timor Sea could not be relied on from the Portuguese side. The Air Ministry therefore suggested that if it was desired to connect Dilli with the Singapore-Darwin route this might be done by a shuttle service, preferably at the direct request of the Portuguese. According to the individual view at the Foreign Office already referred to, these objections, although weighty, might well be modified when political considerations are taken into account. In the same opinion, the question of whether the political advantages would outweigh the operational disadvantages of using Dilli instead of or as well as Koepang would seem to be closely connected with the question of the action which the Commonwealth Government might be prepared to take to obtain a firm commercial footing in Timor in order to keep the Japanese out. Supposing such a policy were decided on the desire of the Portuguese for an air connection with Dilli could perhaps be used as a bargaining factor in aid of the Australian concession.

(c) Wittouck concession.

It will have been observed that the new Governor of Portuguese Timor gave the impression in Batavia that he had suspicions as to the genuineness of Wittouck's activities in Timor, and he seemed favourably disposed towards the continuance of the Staughton concession. Meanwhile, a copy has been received here of an elaborate volume descriptive of the investigations pursued in Portuguese Timor by the Allied Mining Corporation. This publication has been commented on at length in Batavia despatch No. 137 of 10th September of which you will have had a copy. It is sufficient here to note that the book has been prepared obviously at considerable expense. It contains a great number of diagrams, charts and photographs, some of which last reveal the decidedly modern character of the Corporation's establishment at Dilli.

2. You will have noted that the Consul-General at Batavia reported in a despatch dated 14th September that he had been informed that a Japanese named Segawa had been to Lisbon on behalf of the Nanyo Kohatsu Kaisha and completed a deal whereby Dr. Luiz transfers to a new company the lands of the Sociedade Agricola. According to the Consul-General's information this will form part of the assets of a new Portuguese-Japanese company under the management of Mr. Owada.

3. Copies of a letter from the Minister of External Affairs to the Consul-General at Batavia dated 18th August, 1937, and of the Consul-General's reply dated 9th September have now been received at this office through the Foreign Office.

(SGD.) ALFRED STIRLING.

WRH.MS

1st October, 1937.

CONFIDENTIAL.

MEMORANDUM to -

The Secretary,
Department of the Interior.

I appreciate your action in sending me a copy of the letter from Mr. Hudson Fysh to the Administrator at Darwin on Portuguese Timor.

We are keeping closely in touch with the British Consul-General at Batavia on the question of foreign penetration into Portuguese Timor, and have recently taken up with the Defence Department the possibility of including this territory in British air services.

Secretary.

Copy sent to DEFENCE DEPT - 1.10.37.

R/S
25
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RW

COMMONWEALTH OF AUSTRALIA.

M.O'B.

1 OCT 1937

DEPARTMENT OF THE INTERIOR.

CANBERRA, F.C.T.

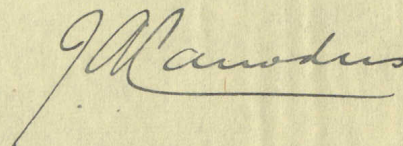
28th September, 1937.

CONFIDENTIAL.

The Secretary,
Department of External Affairs,
CANBERRA. F.C.T.

Attached is a copy of correspondence recently addressed to the Administrator at Darwin by Mr. H. Fysh, Managing Director of Qantas, concerning recent developments in Portuguese Timor.

It is, of course, appreciated that you may already have information of this nature.



(J. A. Carrodus)
Secretary.

Copy (with copy of enclosures) sent to
DEFENCE DEPT. - 1.10.37.

IMPERIAL AIRWAYS.

Ocean Building,

SINGAPORE.

6th September, 1937.

CONFIDENTIAL.

The Honourable Aubrey Abbott,
Administrator of North Australia,
Darwin,
AUSTRALIA.

My dear Mr. Abbott,

While in Batavia I had a most interesting conversation with Mr. H. Fitzmaurice, the British Consul-General on the matter of Japanese interests attempting to gain a footing in Portuguese Timor and its probable effect on Australia. Of course, I told him of the greatly increased Japanese activity in North Australian waters, and we agreed that the establishment of the Japanese to any considerable extent in Portuguese Timor could not be looked at with anything else but alarm.

No doubt you are in close touch with these matters, but I venture to attach a copy of a summary of the position handed to me by the Consul-General and which may contain some points of interest.

I believe the new Governor of Portuguese Timor is intensely pro-British but that considerable pressure is being brought on him by interests naturally opposed to those of Australia.

While in England I will be taking up the matter of the possible linking up of Portuguese Timor by air with the main Empire route. The possibility of using Dilly instead of Koepong as an Empire Flying Boat Base greatly appeals but on present information I am afraid is hardly practicable owing mainly to the mountainous country which exists between the town and the South East Coast.

I cannot help but feel that the question of the establishment of British interests in Portuguese Timor is a vital one for the consideration of Australia, and I can assure you that Qantas Empire Airways would be anxious to assist in every way possible.

I hope to have the pleasure of seeing you again in Darwin on my way back to Australia in November.

With kindest regards.

Yours sincerely,

(SGD) HUDSON FYSH.

MEMORANDUM

on recent developments in Portuguese Timor.

Greatly increased interest in Portuguese timor has been manifested in the last two years both by mining concerns and by Japanese interested in agriculture, fisheries, etc.

There are two prominent mining concerns in Portuguese Timor. The older of these concerns is a concession which has been held for many years past in the name of Mr. A.J. Staughton, an Australian, but has for various reasons not yet been developed.

The second, and larger concern is the allied Mining Corporation, a recently established concern under the control of a Belgian financier named S.F. WITTOUCK. This corporation has desired to obtain monopolistic rights to exploit the mineral resources of Portuguese Timor, and is also interested in agricultural development. About £50,000 - is said to have already been spent on preparatory work, and the corporation is said to be now awaiting a definitive grant from the Portuguese Government before starting work on a larger scale. They desire to see Mr. Staughton expropriated, but this course seems unlikely.

The Nanyo Kohatsu Kaisha (South Seas Development Company) is also interested in Timor, and it was recently reported in the press that this company had come to an agreement to take over some 15,000 hectares of agricultural land from the Sociedade Agricola, the largest Portuguese coffee planting concern in Timor. From official information it would seem that no land has yet been transferred to the Nanyo Kohatsu Kaisha though it is clear that there have been some negotiations between this company and a Portuguese representative of the Sociedade Agricola. Two directors of the Nanyo Kohatsu Kaisha visited Timor in 1936, and are said to intend visiting Dilly again very shortly.

It has also been reported that the Nanyo Kohatsu Kaisha are anxious to establish at Dilly a base for the Japanese fisheries, which have greatly increased in the neighbouring seas in the last two years.

The new Governor of Portuguese Timor (Major Neves da FONTOURA) passed through Batavia in August on his way to Dilly. In a conversation with His Majesty's Consul-General he mentioned his desire to see Portuguese Timor connected with the outer world by air, and added that he would prefer to see such a connection maintained by Imperial Airways or another British line than by a line of other nationality. The Portuguese Consul at Batavia (who is of Dutch nationality) has already put Major de Fontoura in touch with K.N.I.L.M., who are showing interest in the possibility of this air connection.

BRITISH CONSULATE-GENERAL
BATAVIA

September 2nd., 1937.

WHR.IS

S E C R E T.

29th September, 1937.

MEMORANDUM TO:-

The Secretary,
Department of Defence.

I am attaching, for favour of your consideration, a copy of a despatch from the British Consul-General at Batavia relative to the possibility of linking Portuguese Timor with the British system of aerial communication.

I might add that the Commonwealth Government has been seized for some time with the desirability of precluding certain foreign interests from obtaining a predominant control over Portuguese Timor. To this end, it has in recent months actively interested itself both with the Government at Lisbon and at Dilli in endeavouring to protect and further the exploitation of an Australian oil concession held in Portuguese Timor.

(SGD. T. MATHEW).

Secretary.

R/S
10
Kw

CONFIDENTIAL

29 SEP 1937

HIS Majesty's Consul-General at Batavia presents his compliments to The Prime Minister and Minister for External Affairs of the Commonwealth of Australia, Canberra, and has the honour to transmit to him the under-mentioned documents.

British...CONSULATE-GENERAL,

BATAVIA.

September 2nd, 1937.

Reference to previous correspondence :

Batavia Confidential letter of August 30th, 1937, forwarding a copy of Batavia despatch to the Foreign Office No.125 Confidential of the same date.

Description of Enclosure.

Name and Date.	Subject.
Copy of Batavia despatch to the Foreign Office No.130 Confidential of September 2nd., 1937, with one enclosure.	Governor of Portuguese Timor's desire for air communication.

see Portuguese Timor General.

Copy reference for forward of communication.

Copy 2000 to

COPY TO: DEFENCE DEPT. (consid'n) TERRITORIES BC MINISTER 29.9.37

COPY

BRITISH CONSULATE-GENERAL,

BATAVIA.

September 2nd., 1937.

NO.130

CONFIDENTIAL:

Sir,

As I had the honour to report in paragraph 4 of my despatch No.125 Confidential of the 30th ultimo, ^{not} the Governor of Portuguese Timor (Major Neves da Fontoura), who passed through Java on his way to Dilli last week, had expressed to me his desire that air communication with Portuguese Timor might be established, preferably by a British line.

Memorandum re developments in Portuguese Timor.

2. I received a visit yesterday from Mr. W. Hudson FYSH, Managing Director of the Queensland and Northern Territories Air Services ("QANTAS"), who is on his way to London to confer with Imperial Airways on matters of common interest. I accordingly told Mr. Fysh of the desire expressed by Major da Fontoura, suggesting at the same time that recent developments in

His Majesty's Principal Secretary
of State for Foreign Affairs,
Foreign Office,

L O N D O N, S.W.1.
=====

in Timor might make the establishment of an air connection with Dilli of greater interest both to the Australian Government and to Imperial Airways than it had hitherto been.

3. Mr. Fysh showed much interest and said he would mention the matter to Imperial Airways Limited in London. At his request, I have consequently furnished him with a short memorandum (copy enclosed) on recent developments in Timor.

4. I have, as you are aware, lately advocated that the Government of Australia should, largely for strategic reasons, develop a closer contact with Portuguese Timor. An air connection such as Major da Fontoura desires would certainly serve to strengthen such a contact, and consequently appears prima facie likely to be in the interests of the Commonwealth Government, even if it may not offer any great prospect of immediate profits to QANTAS.

I have the honour to be,
with the highest respect,

Sir,

Your most obedient, humble Servant,

(Signed) H. FITZMAURICE.

Consul-General.

Copies to:-

Copies to:-

The Prime Minister of Australia, Canberra.

The High Commissioner in the Commonwealth of
Australia, Canberra.

His Majesty's Ambassador, Lisbon.

His Majesty's Minister, The Hague, (No.103 Conf.).

His Majesty's Chargé d'Affaires, Bangkok,
(No.104 Confidential).

transferred to the Nanyo Kohatsu Kaisha though it is clear that there have been some negotiations between this company and a Portuguese representative of the Sociedade Agricola. Two directors of the Nanyo Kohatsu Kaisha visited Timor in 1936, and are said to intend visiting Dilly again very shortly.

It has also been reported that the Nanyo Kohatsu Kaisha are anxious to establish at Dilly a base for the Japanese fisheries, which have greatly increased in the neighbouring seas in the last two years.

The new Governor of Portuguese Timor (Major Neves da FONTOURA) passed through Batavia in August on his way to Dilly. In a conversation with His Majesty's Consul-General he mentioned his desire to see Portuguese Timor connected with the outer world by air, and added that he would prefer to see such a connection maintained by Imperial Airways or another British line than by a line of other nationality. The Portuguese Consul at Batavia (who is of Dutch nationality) has already put Major da Fontoura in touch with K.N.I.L.M., who are showing interest in the possibility of this air connection.

BRITISH CONSULATE-GENERAL,

BATAVIA.

September 2nd., 1937.

2nd., 1937.

M E M O R A N D U M

on recent developments in Portuguese Timor.

Greatly increased interest in Portuguese Timor has been manifested in the last two years both by mining concerns and by Japanese interested in agriculture, fisheries, etc.

There are two prominent mining concerns in Portuguese Timor. The older of these concerns is a concession which has been held for many years past in the name of Mr. A. J. Staughton, an Australian, but has for various reasons not yet been developed.

The second, and larger concern is the Allied Mining Corporation, a recently established concern under the control of a Belgian financier named S. F. WITTOUCK. This corporation has desired to obtain monopolistic rights to exploit the mineral resources of Portuguese Timor, and is also interested in agricultural development. About £50,000.- is said to have already been spent on preparatory work, and the corporation is said to be now awaiting a definitive grant from the Portuguese Government before starting work on a larger scale. They desire to see Mr. Staughton expropriated, but this course seems unlikely.

The Nanyo Kohatsu Kaisha (South Seas Development Company) is also interested in Timor, and it was recently reported in the press that this company had come to an agreement to take over some 15,000 hectares of agricultural land from the Sociedade Agricola, the largest Portuguese coffee planting concern in Timor. From official information it would seem that no land has yet been

transferred

15
See: N21 - Air Service & Landing Grounds

Copy of Despatch No.13 from the British Consul-General,
Batavia, dated 29th January, 1931.

I have the honour to report that the following paragraph occurs in a letter which I have lately received from one Mr. J.M. Wilson, a British subject residing in Portuguese Timor:-

"As you no doubt are aware, I am in charge of the landing-ground (for aeroplanes) at Dilly, the Government having given me 25 men to keep it clean; it is looking very well; we have a clear run of 850 yards to the sea 100 yards wide. I have also taken a very nice house to accommodate any airmen that should arrive, and will do my best to make them comfortable. His Excellency the Governor has assured me that all possible facilities will be rendered, and that he would be pleased if you would advise by cable should any 'plane propose to land. Should you wish a record kept of 'planes arriving in Portuguese Timor and send me the forms to be filled in, I will be pleased to do what I can to assist".

2. I have contented myself with acknowledging Mr. Wilson's letter and with thanking him for the particulars conveyed. I may add for your strictly confidential information that Mr. Wilson's statements should usually be treated with reserve, and that he is not a person in whose judgment or financial solvency I am disposed to place great trust. I have only his own authority for the assertion that he has been put in charge of the landing-ground at Dilly.

16

9 5 1931

2 JULY 1928

With the compliments of
His Britannic Majesty's Consul-General
at Batavia.

May 29th, 1928.

The Prime Minister, Minister for
External Affairs,
Canberra,
Australia.

COPY

3

HIS MAJESTY'S CONSULATE-GENERAL,
BATAVIA.

No. 60.

May 29th, 1928.

Sir,

With reference to the final paragraph of my despatch No. 51 of the 1st instant, I have the honour to report that the Colonial Secretary, Portuguese Timor, telegraphed to me on the 17th instant as follows upon the subject of the new landing-ground for aeroplanes at Dilly:-

"AERODROME 600 METRES PER 600 METRES
SITUATED NEAR SEA 500 METRES WEST
DILLY MARKED WITH HABITUAL REFERENCES
STOP OIL AND GASOLINE CAN BE SUPPLIED
STOP WIRELESS STATION OPENED FROM 8
TO 12 AND 18 TO 20 HOURS."

I have the honour to be,
with the highest respect,

Sir,

Your most obedient, humble Servant,

(SIGNED) J. CROSBY.

Consul-General.

Copies to:-

The Prime Minister, Minister for External Affairs, Canberra.

The Governor of the Straits Settlements, Singapore.

The Secretary to the Government of India in the Foreign and
Political Department, Simla.

His Majesty's Ambassador at Lisbon.

His Majesty's Minister at The Hague.

The Vice-Admiral Commanding-in-Chief on the China Station,

The General Officer Commanding the Troops, Malaya Command,
Singapore.

The Naval Staff Officer (Intelligence), Singapore.

The Right Honourable

Sir Austen Chamberlain, K.G., P.C., M.P.,

etc., etc., etc.

4
Copy to Defence.
4 - JUL 1928

7

2

EXTERNAL AFFAIRS.

7. June 28

MEMORANDUM for:

The Secretary,
Department of Defence.

I forward herewith, by direction, for your information, a copy of a letter from Mr. J.M. Wilson of Dilly, Portugese Timor, to the Imperial Airways, Limited, on the subject of a landing ground for aeroplanes which is being prepared at Dilly, ~~which~~ which has been forwarded to us by His Majesty's Consul-General at Batavia.

The Consul-General makes the following comments:-

"I imagine that this ground is being constructed in connection with the flight which, I believe, is at present being undertaken by Portugese aviators from Lisbon to Timor. (The honorary Portugese Consul here tells me that, although he has telegraphed to Lisbon for information regarding this flight, no answer has been vouchsafed to him. A spare machine has, however, arrived at Batavia for the aviators' use.)

For the information of airmen calling at Batavia who may contemplate visiting Dilly, I am requesting the Governor of Portugese Timor to furnish me with particulars of the new ground and of the facilities it offers."

Secretary.
K.

COPY

HIS MAJESTY'S CONSULATE-GENERAL,

BATAVIA.

May 1st, 1928.

No. 51.

Sir,

With reference to my confidential despatch No. 95 of July 18th, 1927, I have the honour to transmit herewith copy of a letter addressed on the 18th ultimo by Mr. J. H. Wilson to Messrs. Imperial Airways, Limited, London, on the subject of a landing-ground for aeroplanes which is being prepared at Billy, in Portuguese Timor.

2. I imagine that this ground is being constructed in connection with the flight which, I believe, is at present being undertaken by Portuguese aviators from Lisbon to Timor. (The honorary Portuguese Consul here tells me that, although he has telegraphed to Lisbon for information regarding this flight, no answer has been vouchsafed to him. A spare machine has, however, arrived at Batavia for the aviators' use).

3. For the information of airmen calling at Batavia who may contemplate visiting Billy, I am requesting the Governor of Portuguese Timor to furnish me with particulars of the new ground and of the facilities it offers.

I have the honour to be,
with the highest respect,

Sir,

Your most obedient, humble servant,

(SIGNED) J. CROSBY.

Consul-General.

The Right Honourable
Sir Austen Chamberlain, K.G., P.C., M.P.,
etc., etc., etc.

Copies to:-

*See File
Netherlands East Indies
Amstias*

Mr. J. H. Wilson to
Imperial Airways, Ltd.
12/4/28.

Copies to:-

The Prime Minister, Minister for External Affairs,

Canberra.

The Governor and Commander-in-Chief of the Colony of
the Straits Settlements, Singapore.

The Secretary to the Government of India in the Foreign
and Political Department, Simla.

His Majesty's Ambassador at Lisbon.

His Majesty's Minister at The Hague.

The Vice-Admiral Commanding-in-Chief on the China
Station, Hongkong.

The General Officer Commanding the Troops, Malaya
Command, Singapore.

The Naval Staff Officer (Intelligence), Singapore.

-6 JUNE 1928

With the compliments of
His Britannic Majesty's Consul-General
at Batavia.

May 1st, 1928.

The Prime Minister,
Minister for External Affairs,
of the Commonwealth of
Australia,
CANBERRA,
Australia.

(Enclosure in Batavia Despatch No.51 of May 1st, 1923.)

MR. J. M. WILSON TO MESSRS.
IMPERIAL AIRWAYS, LIMITED ;

Dilly,

Timor,

Portuguese East Indies.

18th April, 1923.

Dear Sir,

Following on your letter SAD/REH/SITW, the following information will no doubt be of interest to you.

Early in March His Excellency the Governor received instructions from Lisbon to prepare a landing place for planes. A suitable place was at once selected, and 1,000 men started to clear and level the ground, with the result that to-day a plain, 600 metres by 880 metres, has a ten ton steam-roller running over it.

This plain is situated on the coast, with a clear run in from the sea, 200 metres west of the lighthouse at the entrance to Dilly Harbour; marked on it the usual international marks.

The Director of Public Works who has spared no pains to make this plain a success, has promised to let me have a plan showing the position of the plain from the lighthouse, wireless masts, and marks easily picked up, which I will forward to you together with any other information as soon as possible. He will also be pleased to receive from you any information to be observed when planes are landing.

Regarding the harbour for seaplanes landing, I consider Dilly harbour, at all seasons of the year,

which

(2.)

which can be seen from the chart, is the best natural harbour in the East, and never affected by wind and weather.

A copy of this letter is being sent to H.B.M.'s Consul-General at Batavia; also to the Commander of "H.M.S.Sydney" whom I met when he visited Timor, for their information.

I have read with interest the account in the "Daily Express" of February 23rd of Bert Hinkler's flight to Australia. This new landing plain from Bima to Port Darwin will most certainly be of interest to him, and also to others making the flight, and I will be pleased if you will give this information publicity.

If at any time I can be of any assistance to any planes calling at Dilly, if you will advise me by wireless I will be pleased to do what I can.

I am,

dear Sir,

Yours faithfully,

(sgd:) J.H.WILSON.

Assistant General Manager,
Imperial Airways, Ltd.,
Airways House,
LONDON.

COPY

BRITISH CONSULATE-GENERAL,
BATAVIA.

January 5th, 1938.

BY AIR MAIL

CONFIDENTIAL

Sir,

As you are already aware from my despatch No. 130 of the 2nd September last (of which I had the honour to send a copy to the Prime Minister of Australia), the Governor of Portuguese Timor had then informed me of his desire for air communication with Timor, preferably by a British line. I spoke to Mr. Hudson Fysh, Managing-Director of QANTAS on the subject when he passed through Batavia on September 1st, and he then wrote both to his directors and to the Administrator of North Australia, so I presume that the matter has already received the attention of the Commonwealth authorities.

2. Mr. Hudson Fysh duly consulted with the Air Ministry and Imperial Airways on reaching London, and I have been informed by the Foreign Office that the conclusion has been unanimously reached that "Dilli is not suitable as an alternative to Koepang, and that it would not be justifiable at the present time even to survey it. The reasons are as follows:-

- (a) It is very exposed from North-West to North-East.
- (b) It is obstructed by very high mountains from the East, through South to the West.
- (c) It increases the mileage of the Empire route by 75 miles as compared with going through Koepang."

3. This conclusion seems definitely to rule Dilli out of the main route, and if I now merely pass the Air Ministry's view to the Governor of Portuguese Timor without further observations it may well seem to him to close the door on the possibility of any British air connection, and to leave only the alternatives of a Portuguese, Dutch or possibly Japanese, service.

4. Of these alternatives the Portuguese themselves would no doubt prefer a Portuguese service, though it might be difficult for Portuguese Timor to establish it without the assistance of foreign capital. Unless such foreign capital is promptly forthcoming from British sources - which the economic prospects of such a service scarcely seem to render probable - the source from which capital would most easily be available is likely, to judge from recent developments in Timor, to be Japanese.

5. The second alternative, a Dutch service from Koepang, may seem the most practicable and desirable from our point of view. The Koninklijke Nederlandsch-Indische Luchtvaart Maatschappij (K.N.I.L.M.) have, moreover, already applied to the Governor of Portuguese Timor for permission to run such a service, but, as the Batavia representative of the Company informed me a few days ago, have not yet obtained a reply. It seems that the Koninklijke Luchtvaart Maatschappij (K.L.M.) have recently negotiated with the Portuguese Government for the use of a landing

/station

The Minister for External Affairs,
CANBERRA.

station in the Cape Verde Islands for their service to South America, and that in return the Netherlands Government have accorded permission for the Portuguese to run a service from Dilli to Koepang. This opening was, however, not made reciprocal, so no permission has yet been given for a Dutch line to Dilli. It is, I think, by no means certain that the Portuguese authorities will readily grant permission for such a service. During Mr. Consul Lambert's recent tour to Portuguese Timor the Governor made no concealment of his mistrust of Dutch friendship and that impecunious colony's experiences for many years of the exorbitant freights of the quasi-monopolist Koninklijke Paketvaart Maatschappij seem to have generated a certain aversion from dependence on Dutch facilities. It is therefore possible (though this is of course only conjecture) that if a Dutch connection is the only alternative, the Portuguese authorities may be more disposed to consider admitting Japanese capital for an air service than they would if there were any prospect either of an Australian service or of Australian support for a line from Dilli

6. In regard to the third alternative, a Japanese line, I am not aware that any overtures have yet been made to this end, and the present Governor of Timor is not likely to favour such a development. I have, however, already brought the growing Japanese interest in Timor to your attention, and it seems unlikely that Japan intends Palao to remain for all time the terminus of the recently arranged "southern air service" from Tokyo to that island. If, therefore, she acquires in Timor an increasing ascendancy, as there is still some reason to fear, she might well become interested in an air service. On the whole, the establishment of a Japanese extension line from Palao to Timor seems less likely at the moment than Japanese investment, if opportunity offered, in a line from Dilli to Koepang or elsewhere.

7. In view of the obvious undesirability of any opening developing for Japan to interest herself in air communications in Timor, therefore, the Commonwealth Government may, despite the unfavourable decision in regard to Dilli as a port of call on the main air route, desire to give further consideration to the question of establishing or supporting an air connection with Dilli. I shall, therefore, be very grateful if you will kindly inform me at an early date whether I may, after now communicating the Air Ministry's views to the Governor of Portuguese Timor, hold out to him any prospect of further consideration being given in Australia to this question.

8. If Mr. Peterson, the newly appointed Australian Government Commissioner to the Netherlands East Indies, finds it possible to visit Portuguese Timor in the course of his journey to Java it might be worth his while to discuss with the Governor of Portuguese Timor in a general way the question of air communications, as well as other matters in Timor which are of interest to the Commonwealth Government.

9. I am, of course, sending a copy of this letter to the Foreign Office.

I have the honour to be,
Sir,
Your most obedient Servant,

(Sgd.) H. FITZMAURICE

His Majesty's Consul-General,

COPYCOMMONWEALTH OF AUSTRALIA
DEPARTMENT OF DEFENCE
MELBOURNE S.C.1.

S.S.42

29 March 1938.

SECRET

MEMORANDUM FOR:-

The Secretary,
Department of External Affairs,
CANBERRA F.C.T.PORTUGUESE TIMOR

1. With reference to your memorandum of 12th January 1938 and previous correspondence on the subject of the development of Australian influence in Portuguese Timor, it is noted from your memorandum of 29th September 1937 that the Government has been seized for some time with the desirability of precluding Japanese interests from obtaining a predominant control over Portuguese Timor. From the point of view of the development of air communications to this end, it is now clear that it is impracticable to extend the Empire Air Mail Scheme to include Dilli. It would be possible to provide an air service from Australia, terminating at Dilli at an estimated annual cost of £5,000, but although such a service would be of advantage as a factor in the extension of Australian influence in Portuguese Timor, there appears to be little prospect of the service becoming self-supporting.

2. The Defence Committee consider that from the aspect of Australian Defence, there are no features which would make it desirable to expend on this service, monies otherwise available for our own Defence needs and which are required for the maintenance of our defences on a satisfactory basis.

Nevertheless, it is appreciated that on broader political grounds, any action which would be instrumental in the development of Australian influence in Portuguese Timor should be encouraged, and this memorandum might be read in conjunction with my secret letter of 6th December 1937 (concerning Yampi Sound Iron Ore Deposit), which touches upon the question of Japanese penetration in North Australian waters.

(Sd,) F.G. Shedden

Secretary

COPYCOMMONWEALTH OF AUSTRALIA
DEPARTMENT OF DEFENCE
MELBOURNE S.C.1.S.S.42

29 March 1938.

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(Sd,) F.G.Shedden

Secretary

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