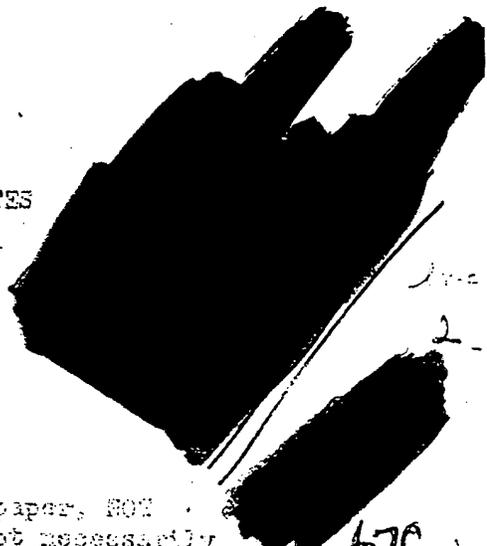


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TRANSPORTATION GROUP
OFFICE OF REPORTS AND ESTIMATES
CENTRAL INTELLIGENCE AGENCY



WORKING PAPER

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CENTRAL INTELLIGENCE AGENCY

○ CLANDESTINE AIR OPERATIONS

CURRENT DEVELOPMENTS

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ASIAN AIRLINES AND ITS PRINCIPAL OFFICERS

A comprehensive report on Clarence Hart Campbell, Managing Director of the suspected Asian Airlines (See TG Weekly Nos. 24 and 30), has been issued by the Intelligence Division, Office of Chief of Naval Operations. The report, which is here condensed and paraphrased, shows painstaking and persistent study of Asian Airlines' obscure background and is an excellent example of the type of investigation and reporting required by Intelligence Agencies.

Campbell, Australian-born British subject, is strongly suspected of being an important crypto-Communist, although there is no actual record available to confirm his membership in the Communist Party of Australia. He and his Communist associates operate under the considerable latitude accorded Communists by the present Australian Labor Government.

That Campbell had secret connections with the Party appears to have been first suspected in 1925, when there were indications that he financially assisted visits of Australian Communist delegates to Russia and aided in the formation of Communist auxiliary organizations in Australia. Campbell was then evidently a member of the Australian Labor Party from which he was reported to have been expelled in 1932. He was subsequently recorded as actively participating in certain Communist auxiliary associations at Sydney, such as "The League against Imperialism", "United Front", etc.

Campbell is one of the legal owners of Marx House, 695-7 George Street, Sydney. This property was originally owned and occupied by The Green Coupon Company, the proprietor of which was Cedric Cuthbert Powell Godhard, another prominent suspected crypto-Communist. In 1943-44, the property was purchased from Godhard for the sum of £ 30,000 by Clarence Hart Campbell and Ralph Joseph Gottlieb (the latter being also a suspected Communist), both actively associated with local Parents and Citizens' Associations. At that time it was reported that the property had been purchased for the Australian Communist Party, and immediately following the sale the property was renovated, renamed "Marx House" and established as the official headquarters of the Australian Communist Party. The solicitor negotiating the sale was Mr. J. B. Sweeney, a reported Communist and legal advocate for Communists in the law courts. The fact that Marx House remains privately-owned safeguards the Party's interests in the event of it ever being disbanded by Government action. Campbell and his associate owner of the building appear to enjoy the implicit trust of the Party.

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In 1945, Campbell took an active part in the formation of the Communist-inspired Australian-Indonesian Association at Sydney and was appointed one of its first vice-presidents. This association was primarily formed to support the Indonesian Republican Freedom Movement in the Netherlands East Indies. Its formation was contemplated by certain Sydney Communists even before the Indonesian Revolution commenced. Early in 1946, Campbell was prominent in the formation of the Australia-India Association, of which he became an executive member. Much of the Association's business was transacted from Campbell's private address at Alexandria. In 1946 he was also instrumental in forming the Indian Seamen's Union at Sydney, and had executive influence in it. In late 1945 Campbell took an active and prominent part in supporting and organizing striking Indonesian Seamen from Dutch ships, following the outbreak of the Indonesian Revolution in Java. He also was active in extending this seamen's strike to other Indian crews imported to Australia by the Dutch to man their immobilized ships in Australian ports.

In 1947, Campbell was in Singapore and Indonesia on a number of occasions for the purpose of visiting the Indonesian Republican Headquarters with which he was evidently persona grata. During that year, he was appointed unofficial provisional Indonesian Trade Commissioner in Australia by the Indonesian Republican Government, but was not officially recognized as such by either the Australian or Dutch Governments and was subsequently replaced by an Indonesian.

Campbell was introduced in 1947 to the original founders of the Asian Airlines Pty. Ltd., through Communist channels, the avenue being from Rupert Lockwood (Associate editor of "Tribune" and member of the Central Committee of the Party), to Jack Wells (Communist, occupying an office in Marx House as the ex-service-men's rehabilitation officer of the Communist Party). Jack Wells then introduced Campbell after sounding out the ground. Between 11 December 1946, and 7 January 1947, Campbell visited Port Moresby, ostensibly on private commercial business. En route, he stayed at the headquarters of the Indonesian Independence Movement in Brisbane.

Investigation of Asian Airlines' early history reveals that about April 1947, a reputable individual named Burgoyne was in Sydney seeking to rehabilitate himself and enlarge his existing agency business interests. Burgoyne was introduced to a man named Kennedy who made business overtures to Burgoyne. The latter was impressed with the possibilities of creating an Air Trading Company at Singapore. Kennedy took the initiative and

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advertised locally for airmen experienced with Catalinas. From the applicants he selected Brickwood, Trevitt and Diggins, young ex-airmen seeking to re-establish themselves. They were to become members of the company when formed, and had to subscribe £ 300 each for which they would receive three hundred £ 1 shares in the company when formed. Kennedy, with control of the funds, continued his imposition on all these parties until the funds were becoming exhausted. He had falsely claimed that he owned a Catalina at Rathfriland, which was really the property of Commonwealth Disposals. What with pressure from his co-partners and the R.A.A.F., and failing finances, Kennedy panicked and attempted to raise another £ 1,000 to buy the plane and cover his tracks. Burgoyne had become dissatisfied and suspicious of Kennedy and the fraud was thus revealed. At this juncture, Burgoyne met by chance in Sydney a man named Rupert Lockwood whom he had previously known when the latter was associated with Sun Newspaper Fact Magazine. In the course of the conversation, Burgoyne disclosed to Lockwood his air trading venture, and his financial difficulties. Shortly after this, Burgoyne was approached by Jack Wells (from Marx House) who was unknown to him, but who was acquainted with the financial problems of the airline. Wells mentioned Campbell as a prospective financier and eventually introduced Campbell to Burgoyne. Campbell agreed to advance £ 1,000, insisting on a controlling interest in the Company. The money was duly advanced and the Catalina purchased. Campbell and the other members of the Company, aware of Kennedy's deception and disposal of the early funds of the group, forced him to resign from the Company. The Company was reorganized with several new stockholders contributing nine additional Catalinas which they had purchased from Commonwealth Disposals.

Burgoyne eventually became dissatisfied with Campbell's control of the company, and resigned. Campbell now had full control of the company. Before Burgoyne resigned, Campbell appeared to have the sole idea of operating the planes from Indonesia. He had plans of that territory and mentioned the South East coast of Sumatra as a likely spot for a suitable base. While at Campbell's home on one occasion, Burgoyne observed him switch on his radio to the short wave band, and tune into the Indonesian station DJOKARJAKARTA. He stated that usually messages of welcome came over this station for Australian listeners. Campbell took notes and from his remarks Burgoyne inferred that he was able to get messages to Singapore and Indonesia by sending them to a contact in Brisbane, who forwarded them on by wireless.

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Last efforts by Asian Airlines to operate into Southeast Asia include a projected "survey flight" to Japan. This failed to materialize because the Department of Civil Aviation in Australia did not provide the necessary license, although it appeared until the last moment that it would do so. The Department of Civil Aviation was also prepared to grant Asian Airlines a license to operate to Malaya--until the Malayan authorities themselves refused to sanction such a service. Strangely enough, several reliable informants have asserted that the British authorities in Malaya were not aware of the activities of Clarence Hart Campbell and Asian Airlines until Australian newsmen on the scene began asking questions.

Asian Airlines is by no means inactive. Reports disclose that the company recently advertised for air crew experienced with Catalinas and with overseas experience. It is understood that it is the early intention of the company to transfer its operations, planes and staff to northern areas, but it is not known whether the destination is Indonesia, Malaya or the China coast. Campbell stated some time ago that he intended to appoint Jack Wells as the Sydney agent of the company. (It has been pointed out that Wells is attached to Communist Party Headquarters, Marx House, Sydney).

It is believed that as long as the Australian Labor Government remains in power and does not hinder Communists, the air planes of Asian Airlines will engage in "charter" flights of doubtful nature from Australia to Siam (that Government permitting), French Indo China (with or without that Government's permission), Malaya (excepting the area near Singapore) and Indonesia. It would appear that Asian Airlines has a potent friend at court, in the person of the Minister for Transport, Mr. L. J. Ward. In any other country, and under almost any other government, the directors of Asian Airlines would be in jail for their individual and collective sins. In Australia, however, they are received (in political labor circles) with polite remonstrations (or engaging in open conversations more suited to clandestine meetings).

Campbell recently attempted to reassure Dutch Consular officials in Australia concerning his previous clandestine activities and tried to make a case for the future non-scheduled operations of Asian Airlines into the East Indies. Campbell denied that he is a Communist and maintained that he is in business for profit. He asserted that Asian Airlines now has a fleet of 10 Catalinas, which are being reconditioned.

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and that he plans to develop non-scheduled services between "various islands" and the Australian mainland. He requested permission to make certain landings in Dutch territory in the course of a projected "survey flight" to explore the possibility of operating between Siam, Indo China, Borneo and Malaya. Realizing that his former association with the Indonesian Republicans had prejudiced his case, Campbell blandly advanced as evidence of his trustworthiness the fact that his aircraft and crews are covered by an insurance policy that would become void if the company engaged in illegal operations or contravened civil air regulations. He offered, furthermore, to submit his aircraft to search by Dutch authorities at any specified point. It is unlikely that Campbell's story has convinced the Netherlands Government of the desirability of his proposed air operations.

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