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COPY

DGC/3425

13th May, 1953.

MEMORANDUM BY DIRECTOR

I have thought it advisable to circulate for information a statement about the attempts made to provide SIGINT on the Malayan Communist Party (MCP); I have thought it timely to do so now in view of the impending visit of

It will be seen that results hitherto have been disappointing, and that prospects are far from good for the near future. Work however continues in one or two directions which may prove to be profitable.

2. Between 1948 and early 1952 there was some evidence that MCP possessed W/T equipment of various types and in varying states of serviceability, but there was no evidence of the equipment actually having been used. During this period limited search at and forward reconnaissance at and failed to identify MCP transmissions.

3. Following departure for Malaya, more forthright search and forward reconnaissances were mounted in April 1952, aimed at uncovering communications of the following kinds if they existed:

- (a) Links from H.Q. M.C.P. (area) to other countries.
- (b) Internal Malayan networks connecting M.C.P. H.Q. to subordinate Malayan H.Q.'s.
- (c) Subordinate State networks of M.C.P.
- (d) transmissions associated with M.C.P.

4. Implementation of this effort consisted of increased search at and Australian Army forward reconnaissances at (10 May - 10 July) and (13 August - 26 September).

5. None of these measures produced any evidence of the existence of MCP communications, but this could not in itself be considered satisfactory evidence against their existence.

6. A captured document dated 12 February 1952, received at in January 1953, contained frequency and schedule data of one link and suggested the possible existence of a network. This prompted a special search at supported by and D/F stations. No success having been achieved, this effort was discontinued on 1 March and the search positions reverted to their usual general search programme, but in consequence of the build-up in the overall resources of the station the general search positions were increased from three to four.

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-2-

DGC/3425

7. On 5 March 1953 expressed to the local representative extreme dissatisfaction at the complete lack of SIGINT on MCP problems and urged the utmost and best of which SIGINT was possible. In view of this, the possibilities were carefully re-examined by and D.S.B. (the Australian Centre), and later in March I sent the following message to

"The Sigint Organisation both in the and in Australia is keenly aware of the part which it has been called upon to play in Malaya. Over the past year we have maintained an intensive watch at our station reinforced by interception positions in In addition, a detachment of the Australian Army has carried out two extensive reconnaissances in Malaya itself. The initiative in arranging these reconnaissances despite the fairly confident belief that they would prove fruitless was, if I may say so, proof that we do not treat this problem in a detached and academic manner. A wealth of material has been intercepted covering most known types of activity in South East Asia and including messages passed by the Communist Party within We have seen no traffic leading us to suspect that it was connected with clandestine elements in Malaya. From this we conclude with confidence that there is still no Communist network of any complexity regularly functioning in Malaya. Some isolated transmissions may have continued to escape our net; our resources are not and cannot be adequate to catch every fugitive transmission. We are however reinforcing our strength in the Far East as quickly as circumstances and resources permit. Our efficiency will improve with the installation in the near future of direction finding equipment at Meanwhile we have complete confidence in the ability of our staff in (with whom there is a continual exchange of information and ideas on this subject) to take full advantage of existing resources." In the past we have found that information from other sources which might aid us in our task has reached us belatedly and in incomplete form. We would therefore welcome any assistance you can give to improve this service. In brief we are working almost entirely in the dark on a problem which is technically most formidable. It would be quite wrong to permit you to believe that there is any short cut to success. Please accept our assurance that we shall continue to prosecute our effort with vigour and determination. We are at present considering in that spirit what steps we can now take with any hope, however remote, of giving you the help that you seek from us."

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-3-

DGC/3425

8. sent the following reply in April:

"Thank you for your message. I note with great satisfaction the assurances which you give of maximum attention to our interest, and I am very grateful to you all. I realise very well the difficulties in this problem. At the same time, its solution is of absolutely prime importance in this country. I have had the existing instructions overhauled to ensure immediate reporting of relevant material from any source, and I think this is now neat and tidy. It includes provision for the immediate interrogation on matters connected with this problem of surrendered enemy personnel. Thank you for all you are doing."

9. On 31 March 1953 the local security authorities gave a firm appreciation of MCP W/T as follows:

- (a) No consistent use of W/T had been made by MCP up to one year ago, although sporadic attempts may have been made, on local initiative.
- (b) A very definite increase had now been noted in late 1951 and early 1952 in MCP interest and action to procure equipment, train operators and maintenance staff, and to establish communications.
- (c) A determined attempt had been made to set up a W/T channel between the Headquarters of MCP (area) and . There were strong indications that this attempt had been at least partly successful.
- (d) There were slight indications of a W/T link between H.Q. M.C.P. and
- (e) The existence of any other regular links was extremely unlikely.

10. As the evidence also showed that these links followed a clandestine rather than military pattern of working, the policy of concentrating the search at is considered correct, with present limited resources. Arrangements have also been made for the study of miscellaneous transmissions with a view to finding possible MCP connections. The study of one such group, though not yet completed, shows that at least part of it serves the , which is suspected of supplying arms to KMT and MCP.

11. It has been suggested that messages relating to MCP might be concealed amongst certain Commercial transmissions. This has been followed up but the work undertaken has perforce, been largely exploratory and experimental, owing to the bulk of the material available. Although positive evidence has not yet come to light it is not impossible that a more intensive attack on the problem would disclose communication channels use illegally from outside Malaya. For this problem

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-4-

DGC/3425

to be pursued satisfactorily in an improved source
of collateral information from the Far East will be very
necessary. Work is continuing along these lines and
representations are being made to the appropriate authorities
for the improved collateral information.

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