Reproduced from *Dalley and the Malayan Security Service, 1945–48: MI5 vs. MSS*, by Leon Comber (Singapore: ISEAS – Yusof Ishak Institute, 2019). This version was obtained electronically direct from the publisher on condition that copyright is not infringed. No part of this publication may be reproduced without the prior permission of ISEAS Publishing. Individual chapters are available at http://bookshop.iseas.edu.sg.





The **ISEAS – Yusof Ishak Institute** (formerly Institute of Southeast Asian Studies) is an autonomous organization established in 1968. It is a regional centre dedicated to the study of socio-political, security, and economic trends and developments in Southeast Asia and its wider geostrategic and economic environment. The Institute's research programmes are grouped under Regional Economic Studies (RES), Regional Strategic and Political Studies (RSPS), and Regional Social and Cultural Studies (RSCS). The Institute is also home to the ASEAN Studies Centre (ASC), the Nalanda-Sriwijaya Centre (NSC) and the Singapore APEC Study Centre.

ISEAS Publishing, an established academic press, has issued more than 2,000 books and journals. It is the largest scholarly publisher of research about Southeast Asia from within the region. ISEAS Publishing works with many other academic and trade publishers and distributors to disseminate important research and analyses from and about Southeast Asia to the rest of the world.

DALLIS AND THE MALAYAN SECURITY SERVICE, 1945–48

MI5 VS. MSS

LEON COMBER



First published in Singapore in 2019 by ISEAS Publishing 30 Heng Mui Keng Terrace Pasir Panjang Singapore 119614

Email: publish@iseas.edu.sg

Website: Website: http://bookshop.iseas.edu.sg

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of the Institute of Southeast Asian Studies.

© 2019 ISEAS – Yusof Ishak Institute, Singapore

The responsibility for facts and opinions in this publication rests exclusively with the author and his interpretations do not necessarily reflect the views or the policy of the publisher or its supporters.

ISEAS Library Cataloguing-in-Publication Data

Comber, Leon, 1921-

Dalley and the Malayan Security Service, 1945-48: MI5 vs. MSS

- 1. Dalley, John Douglas—1900-
- 2. Intelligence service—Malaya—History—Malayan Emergency, 1948–1960.
- 3. Internal security—Malaya.
- 4. National security—Malaya.
- I. Title.

DS596.5 C721

2019

ISBN 978-981-4818-73-5 (soft cover) ISBN 978-981-4818-74-2 (e-book, PDF)

Typeset by Superskill Graphics Pte Ltd Printed in Singapore by Mainland Press Pte Ltd

CONTENTS

Pref	face	vii
Ack	nowledgements	xiii
List of Abbreviations		XV
1.	Lieutenant Colonel John Dalley and the MSS: Early Days	1
2.	Lieutenant Colonel John Dalley and Dalforce	13
3.	The Establishment of "Security Intelligence Far East (SIFE)" in Singapore	35
4.	Dalley's Return to Singapore	45
5.	The Indonesian Situation and Malaya	56
6.	Indonesian Encroachment into Malaya	88
7.	Arrangements for Allocation of MSS Staff to Special Branch, Singapore, and Special Branch, Malaya	99

vi Contents

8. Conclusion	104
Appendix 1. Diagram of Communist & Left-wing Malayan and Indonesian Political Movements, PIJ 1948	108
Appendix 2. A Review of Malayan Communist Party Policy, PIJ 1948	110
Bibliography	139
Index	147
About the Author	157

PREFACE

This book is the result of a conversation I had with the late Mr S.R. Nathan, the distinguished former President of Singapore, whom I had first known in Johor Baru where he was working for the Public Works Department (PWD) before he moved to Singapore and eventually became President of Singapore. I was then in the Johor Special Branch. Much later, when he moved to Singapore and became President, and I was no longer a Special Branch officer but had become a Visiting Senior Fellow at ISEAS – Yusof Ishak Institute, Singapore, we renewed our acquaintance and we used to meet sometimes, at his invitation, in his office at the Singapore Istana to discuss intelligence matters in which, having been at one time Director of the Security and Intelligence Division of the Singapore Ministry of Defence before he became President, he maintained a keen interest.

He knew that I had written a book on the Malayan Special Branch,¹ and he asked why I did not write a similar study about the Malayan Security Service (MSS), which was the domestic intelligence agency established by the British covering both Singapore and Malaya from its headquarters in Singapore when they returned to Singapore after the Japanese surrender in August 1945. When I said I was interested, he arranged for me to be allowed to use the digitized records of the MSS that were held by Singapore's ISD (Internal Security Department) in the ISD

viii Preface

Heritage Centre, Onraet Road. It was then I started my research on this book, *Dalley and the Malayan Security Service*, 1945–48: *MIS vs. MSS*, although as I explained to Mr Nathan, I would perhaps sometimes have to rely on some of the background material I had used in my earlier paper "The Malayan Security Service (1945–1948)"² and book *Malaya's Secret Police 1945–60: The Role of the Special Branch in the Malayan Emergency*,³ although I would incorporate in my present writing, wherever necessary, further information and insights which had come to light since then.

In writing this study, full use has therefore been made of the fortnightly reports of the MSS's *Political and Security Journal (PIJ)* and its *Supplements*, complete runs of which have been digitized and held in the ISD, which I did not have access to when I wrote about the MSS so many years ago.⁴

Perhaps it may be of interest at this stage to record the earliest post-WWII mention of the MSS, which appeared in Serial No. 1/1946 of the MSS's *Political Intelligence Journal*, dated 30 April 1946, which relates to MSS's position as a combined Singapore/Malayan political/security intelligence organization, with its headquarters in Singapore:

Note on MSS Organisation

At present temporarily on a pan-Malayan basis, pending a final decision by the two Malayan governments, the MSS is responsible for civil security intelligence throughout the country. Proposed that HQ should be in Singapore, with a sub-headquarters office in Kuala Lumpur and branches in Singapore, Selangor (to include Negri Sembilan, Perak South, and Pahang), Penang (to include Province Wellesley, Kedah, Perlis and Perak North), Johor (including Malacca) and Kelantan (to include Terengganu).

Preface ix

Owing to shortage of officers the organisation is at present operating on skeleton framework, with officers in Singapore, Kuala Lumpur, Johor Baru, Penang and Alor Star.

[The] Journal is [a] successor of [the] *Political Intelligence Journal* previously published by Special Branch, Singapore, C.I.B. (Political) Kuala Lumpur, and the office of the Civil Security Officer Malaya.

However, in addition to the important *PIJ* files of the MSS available at the ISD Heritage Centre, it has been necessary, too, in order to obtain a broader picture of the intelligence canvas, to carry out additional research relating to intelligence matters held for the relevant period in (a) the National Archives of Singapore (NAS); (b) Arkib Negara Kuala Lumpur; (c) the Australian National Archives (ANA), Canberra; and (d) archival documents ordered by the ISEAS – Yusof Ishak Institute Library from the Public Records Office, Kew, that I had not seen before, for which the author is grateful, such as DVD FCO 15 141/14360, "Singapore: Pan Malayan Security Service Security Intelligence Far East (SIFE)" (1946 Jan 01–1946 Dec 31); DVD FCO 15 141/16880, "Singapore: Internal Security in Malaya" (1946 Jan 01–1947 Dec 31); and DVD FCO 15 KV 4/423 "Organisation and Functions of Security Intelligence Far East (SIFE)" (1948 Oct 07–1949 May 14).

There is a little information, too, but only on the fringes of the topic I am dealing with, in some of the following reports for the period:

- (a) Malayan Weekly Situation Telegrams
- (b) Malayan Weekly Police Summaries
- (c) Monthly Chinese Affairs Reports
- (d) FARELF (Far East Land Forces) Reports

x Preface

(e) Malayan Monthly Chinese/Malay/Tamil Press Summaries

- (f) Malayan Monthly Political Reports from Federation of Malaya
- (g) Monthly Political Reports from Singapore.

In more recent times, further interest has been shown in the MSS since the author's earlier contributions by Roger Arditti and Philip H.J. Davies in their "Rethinking the Rise and Fall of the Malayan Security Service, 1946–48" (2014),⁵ Arditti's PhD thesis "Our Achilles Heel — Interagency Intelligence during the Malayan Emergency" (2015),⁶ and Alexander Nicholas Shaw's "MI5 and the Cold War in South-East Asia: Examining the Performance of Security Intelligence Far East (SIFE), 1946–1963" (2017),⁷ which are useful and add to our knowledge of the MSS.

Perhaps it may be pertinent, however, at this stage to say a few words about the above studies before passing on to the present concern of this book, which focuses on Dalley and the MSS.

While Arditti and Davies's excellent paper does mention Lai Teck, the Secretary General of the Malayan Communist Party (MCP),⁸ they do not bring out that he had actually been a Singapore Special Branch (SB) "double agent" supplying information to the Singapore SB since pre-war days — in fact, in his time he had been a "triple agent" employed consecutively by the French, British, and Japanese secret services. He was, too, one of MSS's primary sources of human intelligence during Dalley's time. There is no doubt, however, that his absconding with the MCP's funds in March 1947 must have resulted in the loss of an important source of inside information about the MCP and its operations.

Referring further to "Rethinking the Rise and Fall of the Malayan Security Service, 1946–48", and "Dalley's return to Malaya at the end of 1946", actually, Dalley returned to Singapore on 5 February 1947, and there is a photograph of him in the

Preface xi

Straits Times of 6 February 1947 taken immediately after he had disembarked from the ship that had carried him from the UK to Singapore, where he gathered around him some of his supporters to address them.

Referring to footnote 82 in Arditti and Davies's paper concerning the title used for MSS officers, perhaps it should be brought out that the authority for the use of the term "Local Security Officers" (LSO) to indicate MSS officers is to be found in the official Colonial Office *Malayan Establishment List*.

The MSS posted an LSO to each of the Malay States except for Kelantan, Terengganu, Melaka and Pahang, where it was prevented from doing so by a shortage of staff. However, in these four states, arrangements were made for the relevant state Criminal Investigation Department (CID) to cover intelligence matters for the MSS. Although it may not have been completely satisfactory, it was better than nothing.

Perhaps Roger Christopher Arditti could have mentioned in his PhD, too, that the Malayan Special Branch was often used with the uniformed branch of the police in an infantry role to fight the MCP's jungle army for the first year or so of the First Malayan Emergency (1948–60), when there were insufficient army units on the ground in Malaya to counter the uprising. Clearly this must have had a serious effect on the provision of intelligence until at least army reinforcements arrived from the UK and various parts of the British Empire, such as Hong Kong, Australia, New Zealand and Fiji, which enabled the Special Branch to revert to its normal function of providing operational intelligence.

Notes

1. Leon Comber, *Malaya's Secret Police 1945–1960: The Role of the Special Branch in the Malayan Emergency* (Singapore: Institute of Southeast Asian Studies/Monash University Press, 2008).

xii Preface

2. Leon Comber, "The Malayan Security Service (1945–1948)", *Intelligence and National Security* 18, no. 3 (Autumn 2003): 128–53.

- 3. Comber, Malaya's Secret Police.
- 4. Some copies of the *PIJ* are held in CO 537/3751 and CO 537/3753 but they do not appear to be complete runs and not all the Supplements are attached.
- 5. Roger Arditti and Philip H.J. Davies, "Rethinking the Rise and Fall of the Malayan Security Service, 1946–48", *Journal of Imperial and Commonwealth History* 43, no. 2 (2014): 292–316.
- 6. Roger Christopher Arditti, "Our Achilles Heel Interagency Intelligence during the Malayan Emergency" (PhD dissertation, Brunel Centre for Intelligence and Security Studies, September 2015).
- 7. Alexander Nicholas Shaw, "MI5 and the Cold War in South-East Asia: Examining the Performance of Security Intelligence Far East (SIFE), 1946–1963", *Intelligence and National Security* 32, no. 6 (2017): 797–816.
- 8. Arditti and Davies, "Rethinking the Rise and Fall", pp. 302–3.

ACKNOWLEDGEMENTS

I am grateful to Director Choi Shing Kwok and Senior Advisor Tan Chin Tiong of my home institute, the ISEAS – Yusof Ishak Institute, for their cooperation and provision of facilities for the writing of the book as a Visiting Senior Fellow at ISEAS.

I wish to acknowledge the great encouragement, help and advice I have always received from the late President of Singapore, Mr S.R. Nathan, in his office at ISEAS and over several meetings held in his office at the Singapore Istana, in researching and writing the book. It was through his recommendation I was able to obtain permission to research the digitized material on the Malayan Security Service held at the ISD Heritage Centre.

I wish to acknowledge, too, the assistance and cooperation I have always received from Kenneth Foo, Raymond Ng, Wee Chin and Joshua Chee on my visits to the ISD Heritage Centre to research the digitized MSS files which are held there, and for the hospitality they have always extended to me on my visits.

My thanks are due, too, to Lin Chung Ying, Special Assistant, National Security Coordinating Secretariat (NSCS), Prime Minister's Office, for his much appreciated help in obtaining photos for the book.

Ng Kok Kiong, Head of ISEAS Publishing and its Managing Editor, and his Senior Editor Rahilah Yusof and Stephen Logan, Editor – Special Projects, have all provided me with greatly valued help in technical publishing matters connected with the book.

My debt to Lee Su Yin, an outstanding educator, historian, and an author in her own right, is immeasurable. Throughout the research and writing of the book, I cannot speak too highly of her unstinting collaboration and help in many ways. Her comments were always of the greatest value and without her advice this study could not have been completed.

ABBREVIATIONS

Angkatan Pemuda Indonesia (Enlighted Youth League)

API

ASP Assistant Superintendent of Police BAM British Association of Malaya BMA British Military Administration CCPChinese Communist Party CDL China Democratic League Criminal Investigation Department CID COColonial Office DSO Defence Security Officer GLU General Labour Union GOC General Officer Commanding IGP Inspector General of Police ISD Internal Security Department Kesatuan Melayu Muda (Malay Youth Union) KMM LSO Local Security Officer MCA Malayan Chinese Association MCP Malayan Communist Party MCS Malayan Civil Service MIC Malayan Indian Congress Malay Nationalist Party MNP Malayan People's Anti-Japanese Army MPAIA MSS Malayan Security Service NDYL New Democratic Youth League

xvi Abbreviations

OCPD Officer-in-Charge, Police District

PAP People's Action Party

PARI Partai Republican Indonesia

PETA Ikatan Pemudah Tanah Ayer (Youth Defence Corps.)

PIJ Political Intelligence Journal

RAF Royal Air Force SB Special Branch

SEAC South East Asia Command

SFTU Singapore Federation of Trade Unions

SHLU Singapore Harbour Labour Union SID Security and Intelligence Division

SIFE Security Intelligence Far East

UMNO United Malays National Organisation

WFDY World Federation of Democratic Youth Convention

WFTU World Federation of Trade Unions