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been strengthened by the recruitment of 3,000 other ranks locally and by the despatch of officers by air from this country. An auxiliary police force numbering more than 200,000 (of all Communities) has been raised and is being trained and led by about 500 officers and men formerly of the Palestine Police. In addition part-time Auxiliary Constabulary have been raised.

7. Offensive operations by the military and police, and by the special "ferret" forces operating in the jungle, have resulted in a marked increase in the number of terrorist casualties which now total 260 killed and 282 captured; and, in many instances, attacks on estates and mines have been beaten off by the Special Constabulary. Such attacks are becoming less frequent in consequence, and the insurgents now tend to seek easier targets and move in smaller numbers. They appear to be confining themselves almost entirely to individual assassinations and to be concentrating on native labourers and Asiatic employees rather than on European estates. There are also signs that they are beginning to revert to their earlier tactics of interfering with labour relations, which may be an indication of weakness. Their "mobilisation" may now have been completed within the limits imposed by our operations: but captured documents reveal that they are suffering from a growing lack of money, ammunition, food and medical supplies, and that their communications are severely restricted.

8. It is now hoped that the insurgents' initiative has been disorganised, and it is most improbable that they will be able to launch the co-ordinated offensive throughout the country which they had intended. They have failed to secure the support of the vast majority of the Chinese or any other community in Malaya, all of whom have rallied firmly behind Government in their efforts to suppress the few terrorists who are disturbing the country. At the same time, they retain a considerable power of intimidation over their Chinese compatriots. The difficulties of eradicating their menace completely will not be overcome quickly.

Cabinet Office, S.W.1.

8th October, 1948.