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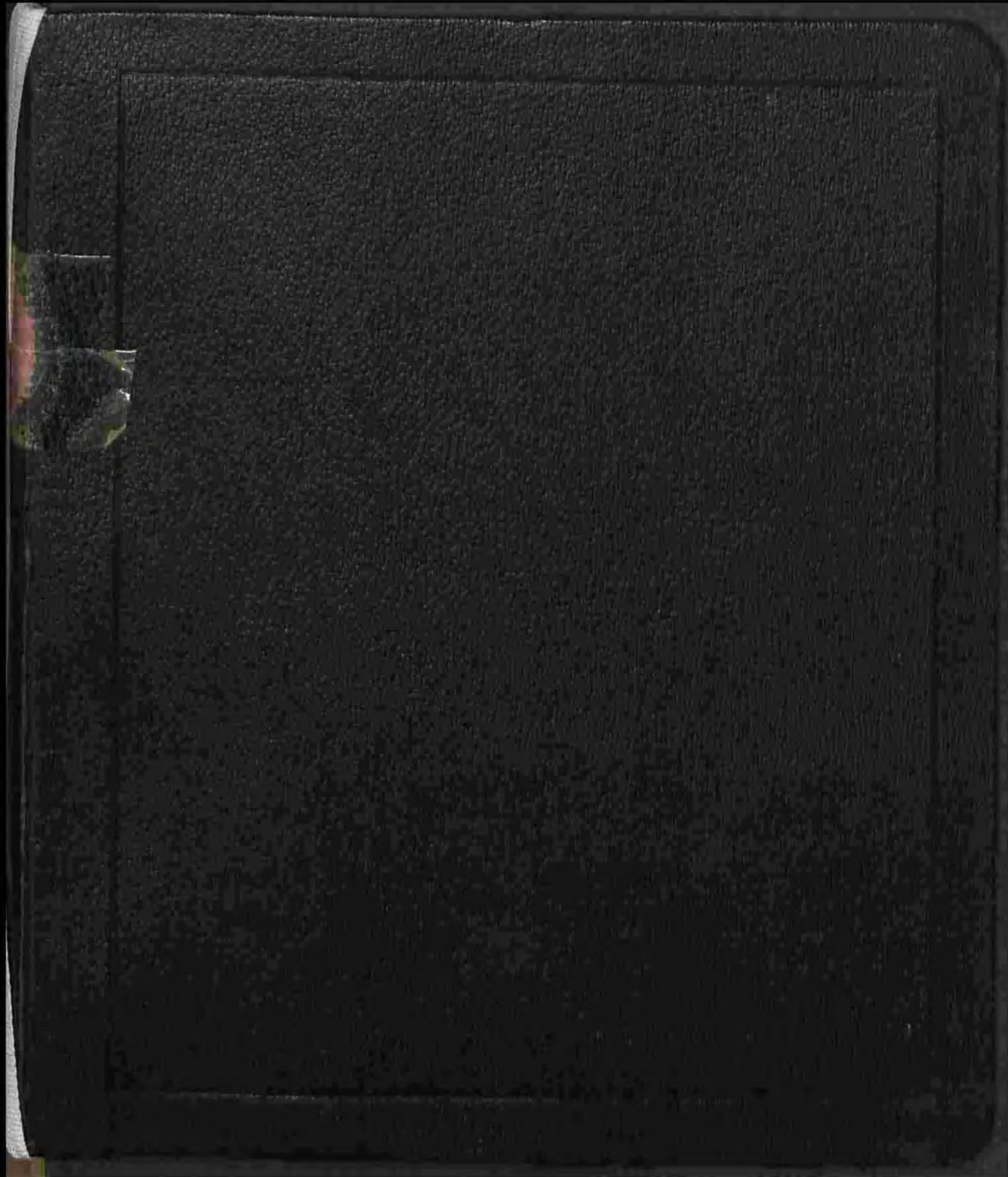
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SAV17







1948

January 1st.

Saw the New Year in with Tommy Harris. Everything looked bright and rosy for the first few hours, but on later reflection - coupled with a slight hangover - it looks as if 1948 should reach an all-time low with one or two additional downward dents!

The situation in India is extremely serious, as there is great danger that Nehru may invade Pakistan in order to cut off the bases from which the troops are invading Kashmir. Mountbatten has been taking every possible step to dissuade him from such a course, which must inevitably lead to civil war. He has therefore suggested to Nehru that he should appeal to U.N.C. He wanted the P.M. to fly out and speak to Nehru personally, but this, for various reasons, was not considered desirable. From a military point of view, Nehru is in a very weak position: his forces have left the main road between the frontier and Srinagar and have no roads behind them. If the main road to Srinagar were cut, they would be in a hopeless position. If he were to suffer a reverse, he would almost certainly invade Pakistan from the south and cut off the rebel bases. The fat would then be properly in the fire.

Palestine also is in a shocking state, although attacks are mainly by Jews on Arabs, and vice versa. Unfortunately, however, both police and military get all mixed up in these affrays. The Arabs are putting up more of a show than anyone expected. It is difficult to see how a show-down can be avoided after we leave.

In Greece the rebels, under General Marcos, have formed a Government and declared open war; they are trying to capture Koniza.

Italy is still in a very uncertain state and nobody knows what may happen when the elections come on this month. On the other hand, France, in spite of many difficulties ahead, may have turned the corner. Schumann's Government is acting vigorously. C.C.T. has been split by a walk-out by Jouhaux and the moderates. The Communists have lost considerable ground at the moment the Centre and the Left do not want de Gaulle, and the Centre and de Gaulle do not want the Communists. It is to be hoped that Schumann will be able to maintain his position, since the only alternative would be de Gaulle, who might take dictatorial powers which would lose him popularity. Such supporters as he had would then move over to the Left. At the moment the Communists would not dare to face the show-down.

On the home front the Government is coming out in strong terms against the Russians, having taken a lead from Morgan Phillips, the Trade Unionist, who has made a very outspoken speech. It looks



as if the T.U.C. intended to wage war against the Communists, by impressing upon their Right Wing supporters the necessity for attending T.U. meetings and seeing that the active Communist minority do not get into the controlling positions. At the moment they had control both of the Miners' Union and the Engineering Union.

Page came to see me about.

I talked to Page about the kind of scientists required to run the J.S.D.I.C. It seemed to me that Professor Brunt (?), the famous meteorologist, was too old and too much of a specialist, and that what was wanted was a younger man with organising ability, who was on personal terms with most of the important people in the scientific world. I doubted whether the J.I.C. had quite made up their minds what they were looking for.

D.M.I. rang me up about an S.I.S. report that 1,000 Communists were on board the "Pan Crescent" and the "Pan York", two illegal immigrant ships from Roumania which had been taken in to Cyprus. He thought these people ought to be segregated. I said that I was doubtful about the possibility of doing this, because the camps were already practically full: it might be for consideration whether we should tell the Agency and ask their assistance, but if we do this we might be landed with the bodies in Cyprus.

2nd January.

Mrs. Ashley came to see me about POPOV's father, who wants to stay here. I said that I would do what I could with the Home Office.

3rd January.

Roberts rang me up to tell me that the information about the Communists on board the illegal immigration ships had been received from Jewish Agency reports in Roumania. I so informed the D.G.

5th January.

For the minutes of to-day's D.D.G. meeting see folder in D.D.G. Sec.'s tray.

6th January.

Richmond Stopford came to see me at my request.

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He asked my advice about a German, KOLLIBAY, who before the war had represented a German firm dealing with electrical equipment. KOLLIBAY had been interned and subsequently released and made a British subject. He had joined the firm, of which Stopford is a director, and Alice had bought from the Custodian of Enemy Property the firm of which KOLLIBAY was a representative before the war. KOLLIBAY had now resigned and had formed a company on his own, which was representing the same German interests - in other words, he had defeated the Custodian of Enemy Property. I recommended Stopford to go and see the Home Office.

At the D.C.'s meeting, Vickery gave an account of recent developments in India, which I have already recounted.

I had a meeting with Dick, Kirby-Green, McDonald, and Kellar on the Caribbean, when we decided how the area could best be run.

I talked to Vickery about "George" Jenkin. A post has been created in the C.R.O. for the collation of all information coming from India. Vickery was thinking of recommending WACE. I said that I thought "George" Jenkin would do the job well. Vickery thought that he ought to have a long rest first. I said that I doubted whether he is the type who would profit from lying fallow in a hotel in Salina; what he really wanted was something to occupy his mind. Vickery said that he would put his name forward with that of WACE.

7th January.

S/Ldr. Oak-Rhind, who is to be a more or less permanent security representative in the Air Ministry, came to see me. I gave him a short talk about our organisation.

The D.C. was called to see the P.M. and I took his place at the J.I.C. Clayton, the Chairman of F.I.C.M.E., was present to discuss the future of F.I.C.M.E. The general view seemed to be that the functions of F.I.C.M.E. should be carried in part by the office of B.M.E.O. and in part by the J.I.C. (M.E.). The prerequisite was the establish-



ment of a permanent J.I.S. in the Middle East. During the discussion it emerged that the Navy, in spite of fierce resistance, have been ordered to establish their H.Q. with those of the other two Services. As this means that they have to move from Malta, where they have been since before the days of Nelson, the stir in the Admiralty is considerable and the Chief of Naval Staff has gone a deep purple. It is hoped that G.H.Q. Middle East will be in Cyrenaica - the alternatives are Cyprus and Malta. Nairobi is out, at least for the moment.

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I left a note with the meeting, stressing the undesirability of collaborating with the Agency in sorting out Communists from the illegal immigrants in Cyprus.

The P.M. told the D.G. that there was a proposal to appoint Professor BLACKETT as head of a highly important scientific committee. The D.G. said he would like to consult his records, which he subsequently did. The P.M. turned BLACKETT down. The appointment in mind was presumably the one of Head of the Atomic Research Committee, from which Sir John Anderson is resigning. The danger about BLACKETT is not that he is personally disloyal, but that he inevitably surrounds himself with people of his way of thinking who are disloyal.

Oughton came to tell me that he had a letter from the solicitors of the Medical Officer at Ban Nenndorf, asking him to give certain evidence. I told him that he had better see the solicitors.

#### 8th January.

I saw Sir John Stephenson to-day. He said that in so far as Top Secret information was concerned he thought that we need only be concerned with Canada, Australia, New Zealand and South Africa. As regards Hindustan and Pakistan, nothing was passed to those Dominions which the British Government did not expect to reach the Russians. As regards the method of approach, he thought that Canada, in view of their past experience, would be security-minded enough to vet their own personnel coming from Canada. As regards any personnel that they took on here, he thought that we should offer them assistance. I said that as we knew Norman Robertson so well, I felt that, with his approval, we could make the necessary approach. As regards Australia and New Zealand, he said that he would seek a suitable



occasion for us to ask the South Africans whether they would like us to vet such of their staff taken on in this country who were handling secret documents. I minuted D.C. as above and suggested that Hollis might speak to Norman Robertson when he next sees him.

I asked Sir John Stephenson what he thought Dev's reply would be if it were pointed out to him that the abolition of partition could not possibly relieve us of the obligation to occupy the northern ports in any future war, and that this would automatically throw him off his neutrality. Stephenson referred to the occasion when Macdonald visited Dev in 1940, with a suggestion that partition should be abolished on condition that we were allowed to use the Irish ports. Dev had replied that Ireland would have to remain neutral, and it was on this that the negotiations broke down.

I had a talk with Perfect about his difficulties in Nairobi. Certainly the Colonial officials have been difficult, but I can't help feeling that someone else would have made his personality felt and got over the difficulties. Dick's solution, which I think is a sound one, is that Kenya, Uganda and Tanganyika should come under S.I.M.E., and thus conform to M.E.L.F., while fresh representation should be set up in the Rhodesias.

9th January.

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At the Deputies' meeting of the J.I.C. to-day, it was mentioned that the War Office had been told that their Military Attache should be situated in Damascus. They would prefer to see him in Beirut. Hayter said that, provided the M.A. and the A.M.A. between them covered Damascus and Beirut, it was a matter of indifference to the Foreign Office who went to which place. I said that before committing ourselves on this point, we would like to consult the Head of S.I.M.E. We would do this and then arrange the matter with the War Office.

Quill gave an account of his visit to the Middle East, in connection with BEACH reconnaissance in Palestine. He had been up to Jerusalem and had seen the High Commissioner. He said that the situation in Palestine was interesting; the Jews were feeling extremely uneasy because the Arabs were more or less paralysing movement in the country- they had patrols out on the main roads, and the movement of Jews between Jerusalem and Haifa, and even Jerusalem and Lydda, was now extremely difficult. The effect of our declaration about the



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termination of the Mandate had been somewhat similar to the effect in India when the decision was reached to hand over power- hostility against the British being diverted to hostility between Moslem and Hindu and Arab and Jew. British subjects were being passed through Arab controls without difficulty, and were on occasion escorted for their own safety. Everybody was extremely apprehensive about our impending departure, and Quill thought that there might even be a request, on bended knee, from the Jews for us to remain.

James Robertson came to tell me that Source BULLDOG had indicated that a man called Harry LEVINE had been seeing WEIZMANN. Harry LEVINE had confessed that he was behind the shipments of T.N.T. from the U.S., and that he had some kind of a warehouse in Paris. He had been warned that the Americans were hot on his trail and that the British might be asked to take action against him. He is now leaving for Frankfurt, but is returning to this country towards the end of the month. It seems that in America the Agency is trying to canvass support in the War Ministry, with the idea that that Department will reinforce the President against opposition to his Palestine policy, which he is receiving from the State Department. It seems that something of a similar kind is going on here through Samuel LANDMAN and a man called STANLEY, who has been trying to get at Shinwell. Samuel LANDMAN is assisted by Cyril ROSS, the Managing Director of Swears & Wells.

Oak-Rhind came to see me again. He was extremely pleased with his visit to our office, which he said had been most profitable and instructive.

The D.G. held a meeting on East Africa, at which it was decided that Kenya, Uganda and Tanganyika should come under S.I.M.E.; that Perfect, Clayton, and one other officer should remain in Nairobi, with possibly a military attachment to run a section of F.S.P., who now report direct to Cairo. In this way our organisation would conform to the pattern of M.E.L.F., under which the East African Command operates. We should also consider opening an office at Lusaka in Northern Rhodesia - at any rate as a temporary measure - until we had thoroughly explored the ground and knew what the problems were: this office would be concerned with Northern and Southern Rhodesia and also with South Africa. Hollis was to explore this when he visited the area next month.

10th January.

Noel Wild came to see me about his proposal for anti-Communist propaganda. He has put in a memorandum on this subject. He thinks that if a small P.W.E. committee were



formed that a good deal could be done. Things seem to be moving rather in this direction.

12th January.

I took the list of Warrants, which had been imposed for more than a year, to Maxwell for his approval of their continuance. He expressed his agreement.

The D.G. held a meeting with Dick, myself, Drew, Travis and Dunderdale. The P.M. wants the D.G. to go to Australia and see Chifley about a leakage of a Government document sent to Australia and subsequently picked up by L.S.I.C. on a chance break. Chifley cannot be told how the information was obtained; it is therefore necessary to pin the story on a defector. There are in fact two documents: as a cover story has to be prepared on the lines that it may ultimately get back to Russia, the quoting of both documents might therefore be dangerous. The proposal is to use "Excise" as the defector. Drew and Dunderdale are to draft the cover report.

13th January.

I attended a meeting of the Working Party on the re-organisation of the J.I.C. We ultimately agreed to their being two Deputies' committees, one for intelligence and the other for organisation and security. The second committee would have a number of working parties, with fixed Chairmen, for dealing with such subjects as security, organisation, exchange of technical information, pigeons, etc. A.D.N.I. is to be the permanent Chairman of the Security Committee and T.A.R. will take on pigeons. It will be open to the Secretary to pass papers direct to a working party. Other than the Chairmen there will be no permanent representatives. J.I.C. will in future only be concerned with the preparation of operational intelligence summaries, but the Deputies and the Working Parties will have an extra Secretary. I told the Working Party that in my view there was a danger in splitting up these subjects to a great extent: I had reasons for saying this, as I spent a great deal of my time in trying to keep all these subjects together in our own office; the reason being that one invariably impinged upon the other. I thought the Committee would find considerable difficulty in deciding what was purely organisational, what was security, and what was intelligence - there were many things which were all three. While note was taken of this, it was apparent that the three Services are all organised on the basis of intelligence on the one hand and organisation and security on the other. The system to which we finally agreed, therefore, suits them.



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14th January.

Edward Thornton, late of the L.R.C., came in to ask me about a notice which he had received from the War Office requesting him to go through a language test. I got Hill down, as a result of which we told Thornton to reply that his services were already retained by M.I.5. Thornton has been travelling about all over Europe selling wool. He said that Norway was getting back on her feet, and that we were extremely popular in the country. Sweden, on the other hand, was severely handicapped by her trade treaty with Russia, which was on a fifteen years credit basis; she was pledge to export most of her goods to Russia and therefore had nothing to exchange with other countries but commodities which she urgently needed. People in Sweden are terrified of the Russian bogey.

I telephoned Gleadell about a passage in the J.I.C. charter for the Middle East and Far East, which on its literal wording seemed to imply that the only channel for security intelligence to the Commanders-in-Chief was through the J.I.C. We agreed on an alternative on another para, which will, I think, make the position clear. I also took exception to a para. which indicated that no intelligence operations were to take place in any foreign or colonial territory without the permission of the Minister or the Governor.

Gleadell said he thought this para. was meant to be elastic, but doubted if the Foreign Office would change it,

Bearing in mind that we also were in trouble in regard to an incident in Greece, which Gerhold had not reported to the Minister, I felt it was better to let the para. go and not join issue with the Foreign Office.

I said good-bye to \_\_\_\_\_ who is leaving to join S.I.F.E.

We had another meeting with Drew, Dunderdale, Travis and 'C' to discuss the draft cover story, which was finally agreed, although I am not too happy about the inclusion in it of another document. There is no evidence that this second document did in fact reach the Russians; it has been included in order to give cover to the first document and to help Travis in getting the agreement of the Americans to the proposal to warn Chifley. Hollis and I both objected, first that it would mislead the Australians in their enquiries, and secondly that if it reached the Russians it might cause them to think that the whole cover story was phoney. It was felt, however, that we should have to take a chance on this.

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15th January.

I lunched with Colonel Tarver and asked him about Ahmed. He said that although Ahmed was keen about liaison with us, he felt that the moment was not very opportune for re-opening the question with Jinnah. I told Tarver that a more favourable opportunity of taking up the question had now occurred, since if Pakistan still wanted to have visas for their country vetted, this could only be done as it is being done in Hindustan; through our Liaison Officer. I thought that if we reopened the question on these grounds, it might make things easier. He agreed.

We also discussed a request from Pakistan for assistance in counter-intelligence matters. It seemed to me that the military and civil organisations had not really sorted this question out amongst themselves, and that until they did so there was nothing very much to be done. He said that there was no necessity to reply to the D.D.M.I. Pakistan; we should wait until they reopened the question.

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Skardon came to talk to me about WEISS. After an unsuccessful interview at the War Office, WEISS had telephoned to say that he had had rather a bad night and would like to make a statement. A reference to WEISS was obtained from certain captured documents in the case of TREPPER and ROBINSON of the Rotekappelle. We had, therefore, thought that it might be useful to have a talk with WEISS and ascertain what he knew about ROBINSON. He was obviously very shaken when ROBINSON's photograph was thrown on the table; he said that he had known ROBINSON, who was a casual acquaintance at the Albert Hall. This was interesting, as captured documents showed that WEISS had had meetings with ROBINSON at the Albert Hall, and that for the purposes of identification he had on the first occasion carried a copy of "Esquire"; the meeting, therefore, was hardly casual. He has now given us in brief outline



the story of his recruitment and subsequent activities. These have linked up with the SWITZ case, which took place some time in the thirties in Paris: I actually went over and had a talk with the Juge d'Instruction. The most important link is a woman called Ilse STEINFELD, who was an associate of "FRANK" in the SWITZ case and was also known to WEISS. In pre-war years she was acting as secretary first to STUTTERHEIM of the Berlin Tageblatt in this country, and then to Paul SCHEFFER, at one time Moscow correspondent for the Berlin Tageblatt. She used to give copies of everything that STUTTERHEIM and SCHEFFER wrote to the Russians. This woman is now the wife of one SAMUEL, who runs a leather business and is also concerned with the manufacture of orthopaedic appliances. This again links up with certain correspondence of Henry ROBINSON, found in the captured documents. It is possible that we have a "live" link in SAMUEL. Other matters of interest are the identity of HARRY I and HARRY II, who were WEISS's props at various times, and the fact that VERNON and MEREDITH of R.A.E. Farnborough were both supplying WEISS with information, which he was passing on to the Russians. VERNON, of course, was prosecuted or dismissed from R.A.E. Farnborough a good many years ago for having taken the confidential documents out of the office: this had come to light through a raid carried out by the Fascists. The introduction of VERNON to HARRY II had been carried out by Dorothy WOODMAN. The enquiries that we made at the time into the SWITZ case and our back records are proving invaluable.

Kirkman looked in to see me. He is B.G.S.I. in Palestine. He seemed thoroughly satisfied with our organisation.

16th January.

Sir Herbert Creedy called.

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I then told him about the Stephens case and asked him if he was in a position to give any evidence about punishments at O20. He said that his recollection was more or less the same as mine, that there were no punishments except solitary confinement and the withdrawal of privileges. He would clearly be no use as a witness, as he had no first-hand information; he thought, however, that Swinton ought to be approached.

17th January.

Airy came to see me. He had heard about our opening an office in Australia; he said that he had started up various offices for the Department, and that he would be quite willing to do the same in Australia, if he were thought to be the right person. He did not, however, wish to stay



as he had commitments in this country. I said that I thought that whoever went out would probably have to stay there for a period of two years or more, but that I would mention the matter to the D.G., who might like to see his report on the setting up of an Australian Security Service.

19th January.

For minutes of D.D.G. Meeting held to-day, see folder in D.D.G.'s sec's tray.

Anthony Blunt came to see me about a story which had reached him from Garronway Rees, via Guy Burgess. It had lost nothing in the telling! It was said that a singularly inept officer of M.I.5., who first of all said that he was from the War Office and then from the C.I.D., had been to the firm of Bennett & Shears and asked them all sorts of funny questions about industrial mobilisation in Russia. I got hold of Skardon, who was the officer concerned; he gave me an account of his interview with a director of the firm. He had gone to see him, (a) to establish whether certain Russians had been to his firm, and (b) to ask what kind of chemical plant they were purchasing. He had been in a slight difficulty in the beginning in proving his identity, as unfortunately he had not got his credentials with him; this led him ultimately to suggest that the director of the firm should ring up an old friend of his, Superintendent ???. The meeting had been sticky, but polite. Skardon had said that he wanted the information and that the simplest way was to come direct and ask for it. If it could not be given, he had nothing to do but to go away with regrets. Anthony asked me to meet Garronway Rees at his club that evening, which I did, and explained to him the circumstances. He said he thought the whole story had got considerably distorted, and that his fellow director had misunderstood our purpose. He told me there and then that the Russians were buying penicillin plant, and that his firm had received an order from Tito for a liquid oxygen plant. He thought, however, that it might be useful for us to be in touch with Neville, the Chairman - or Secretary - of the Chemical Plant Manufacturers Association. I told him that provided Neville had not already been approached by someone else, I should be quite interested to meet him. Rees promised to arrange this.

20th January.

I had a meeting with the D.G. and Courtenay Young, when we discussed the Malayan Security Service, prior to the D.G.'s visit to C.R.O., where he was seeing Macdonald. The idea was that he should present the case as we saw it and ask for a mandate to look into things when he was in the Far East, which he subsequently obtained. He told me, however,



that Macdonald thought Dalley was a well-informed person, although he realised that he was a bit of an Empire Builder! He had no idea that the relations between Dalley and S.I.F.E. were in any way strained; He was told that our main complaints were, (i) Dalley's inclination to build up contacts outside Malaya, and (ii) his failure to pass us information which concerned us. It was agreed that Governors should be informed of the D.G.'s visit and its purpose, and ask them to give him their assistance.

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21st January.

I spent the whole morning trying to sort out a troublesome vetting case, concerning a man called [redacted] who was to take up an editorial job in the Information Department of the High Commissioner's office in [redacted]. There was some doubtful information on the file, but nothing conclusive: a recommendation had been made that he should not be employed, but meanwhile the C.R.O. had gone ahead and appointed him: they now had cold feet and were holding up his departure. On talking to Bill Younger I discovered that the three reports in the file were all from the same source, and that in the last one the source was merely repeating information which he had gained a considerable time ago. It has very considerably weakened the whole case. I then got hold of Geoffrey Wethered and asked him to have a talk with someone in the Foreign Office with whom this individual had worked.

22nd January.

Victor came to see Alec Kellar and myself. We discussed the Palestine situation. Victor had been seeing WEIZMANN, who now finds it impossible to make any contact with the Government; he had been thinking of going to see Winston. Victor had advised him against doing this, as he could not see that it would lead anywhere. Kellar and I said that in the present atmosphere we doubted whether it was any good WEIZMANN attempting to make an approach to Bevin or the Prime Minister, since it was abundantly clear from the Press and other sources that the Government were far more interested in fixing up agreements with the Arabs: we had just had the Iraqi delegation, and one from Transjordan was due to arrive shortly. Victor agreed that it was no good trying to do anything.

I have seen the Defence Committee document which gives the Chiefs of Staff requirements for the defence of the Middle East. It is of considerable importance to us, since it affects the future of S.I.M.E. Firstly, we are to do all we can to obtain the trusteeship of Cyrenaica: if we are successful, we should develop there the Naval, Military and Air base with forces ready



to operate. An attempt is to be made to renew the treaty negotiations with Egypt. Our aims are: (a) the retention of the 1,000 technical personnel not in uniform, (b) rapid re-entry into Egypt and the Canal Zone on a threat of war. We are to be the judges when such a threat exists; (c) the establishment of Anglo-Egyptian Defence Board, to work out plans for air fields, etc., in defence; (d) transit rights for aircraft, etc; (e) control of pipe lines now in British civilian hands. The Lebanon and Syria must form part of our defence area in war; some facilities now would, therefore, be advantageous, e.g. the maintenance of air fields. It will also be necessary to re-enter Transjordan, and our rights under the existing treaty which facilitate maintenance and training should, therefore, be retained. We must also have rights in the port of Aqaba. In Iraq we want the right to station forces in time of war and to maintain in peace our existing air bases with operational aircraft. In Saudi Arabia we want the right of entry in the event of war, and in peace we want the right to develop and maintain air fields, roads and, if possible, rail communications, along the west coast of the Persian Gulf. We also want port facilities and the development of water supplies and oil supplies. In the Sudan we want facilities for air and land communication. Nothing can be done in Palestine until the situation settles down; later, however, we might attempt to get bases in Arab territories, particularly if any of them became amalgamated with adjacent countries. Bases in Jewish Palestine is a difficult question, since even if we could acquire them we might give offence to the Arabs. Cyprus is to be held at all costs.

If all these territories are to be reoccupied in the event of war, it is clear that S.I.M.E. should keep its links going wherever possible, and that Middle East Command should have a proper security organisation at its back.

23rd January.

Geoffrey Wethered came in to see me about the case of the man, . . . . . He had seen Fitzgerald, the Foreign Office official with whom . . . . . had worked. Fitzgerald knew . . . . . personally and, although he believed him to have Left Wing views, he was certain that he was not a Communist and that he was perfectly loyal.

I saw Vickery and Hollis about the case of George . . . . . It was decided that we should communicate our views, which would be to the effect that . . . . . should retain the appointment offered to him in . . . . . and that the question of informing the High Commissioner should be left to the C.R.O.

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James Robertson and Hill talked to me about the case of the leakage of a document on Palestine finance from the Treasury. Drew had made a certain amount of progress; he had identified the document and got a list of the personnel who handled it. It appears to have been done in the Treasury pool and not in the Cabinet Secretariat.

Courtenay Young, Kellar and I discussed the M.S.S. situation with the D.G. We thought he should concentrate on getting the organisational set-up changed, namely, the division of M.S.S. into two Special Branches, one for the Singapore Police and the other for the Malayan Police. We should take over the more secret activities of M.S.S., namely, censorship, and also liaison with foreign missions. Our complaints were: (i) that Dalley was inclined to go outside his charter, and (ii) that he did not pass us material which we required.

#### 26th January.

I attended a meeting of the J.I.C. Deputies to discuss the various suggested amendments to the paper on Protocol M. (see 634a in SF.411/Germany). We have ignored Protocol M., regarding the authenticity of which we had grave doubts. The S.I.S. representative produced a good deal of additional internal evidence, which seemed to indicate that the document was not authentic. S.I.S. is, moreover, sending a reasoned statement to the Foreign Office, a copy of which we should receive. Nobody at the meeting had any clear idea as to how Protocol M. came into our possession.

#### 27th January.

The D.G. held a meeting to-day with D.N.I., A.D.N.I., Harry Allen, Hollis, Furnival Jones, Boddington and myself. It followed a discussion I had had with Phillips in November last on the setting up of some organisation which could keep the Admiralty informed about morale in the Navy. The Admiralty had argued that this was a job for M.I.5., because in keeping our finger on the pulse of morale we should be better acquainted with any attempts by the Communist Party to exploit grievances. Other reasons put forward were: (a) that the Navy had no funds or organisation for this type of work, and (b) that they did not wish to run the risk of being accused of snooping on their own kind. We said that none of these reasons seemed really valid. M.I.5. had a charter to deal with subversive movements, but not with the morale of the Navy, which would appear to be a matter of administration and discipline, with which the naval authorities themselves could deal. The Security Service, which is in touch with all the Chief Constables, and has its own sources of information, was making a close study of Communist activities, and, should there be any serious attempt to interfere with the loyalty of any of the Services, it was extremely likely that we should get to hear about it. The Security Service did not feel, however, that it was its business



28th January.

I saw Hill and gave him the documents about arms deals which I received from 'C'. I told him that 'C's informant was COTTON. COTTON is a man who flew all over Germany, as a private enterprise, photographing everything before the war and then handed his photographs over to the Air Ministry. Subsequently, he had a very disreputable fight with the British Government about payment, which contained an element of blackmail. He is altogether an unpleasant character. I told Hill to look out for any conversations between him and RICKETT, particularly if there were any reference to 'C'.

At the J.I.C. the whole morning was occupied in discussing various papers about the probable date for a major war. There are so many papers on this subject now that the situation is becoming extremely confused! Most of them are, of course, purely crystal gazing. Strong made a statement about the discovery of uranium on the Rand and the Gold Coast. He said that the Rand and Gold Coast combined could produce 2,000 tons a year for thirty years. The quality was such that it would make the proposition economically worth while. By contrast, the Congo is producing two to three thousand tons a year for a period of five years. The Rand will take two years to get going, and the Gold Coast five years. As the uranium comes from deep gold mining deposits, there is no reason for thinking that the Russian gold mines are likely to be productive of uranium, since their mining is largely of a surface variety, the gold coming from entirely different deposits. Strong also made a statement about oil. He said that America must import 2½ million tons from the Middle East if she was going to fulfill her obligations under the Marshall Plan. Lastly, Strong drew attention to an article in the Press which alleged that the Russians were fortifying the Oder-Neisse line. He said that according to reports from our observers, there were no signs of any such fortifications.

I lunched with "George" Jenkin.

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Later I discussed his future and told him about the possibility of a job in C.R.O. He seemed interested, but had heard nothing. He then told me that he had heard that we wanted somebody for Ceylon. He might be interested. He might also be interested in going to East Africa. I mentioned this matter to Dick. He thought that Jenkin might possibly go to Australia. I have mentioned this to the D.G., who is giving me a free hand to negotiate.

Miss Russell-King came to talk to me about a questionnaire on security which the War Office had received from the French Military Attache. She said that Le Man had already been consulted about



to report on the effect of Admiralty orders and administration on the Petty Officers and ratings. While it is true that the Admiralty has no machinery to carry out this task, it is clear that - at least in certain cases - they could obtain the information if they tightened up their own procedure of reporting. The grievances in the case of the "Vanguard" had, in fact, been freely aired in Portsmouth before the ship sailed, and were known to the officers. N.I.D. heard nothing about this until the ship was in Malta. The whole trouble was due to administrative causes. It was finally agreed that the D.G. would approach the Chief Constables and ask them to make arrangements to report any grievances of disaffection which came to their notice. For this purpose they should have a specially selected officer, and the Security Service would be willing to give a slightly increased subsidy. If as a result of these reports if were felt that some subversive organisation was exploiting these greivances, Major Boddington would be available to look into the matter.

At the D.G.'s meeting to-day Kellar stated that we could only evacuate from Jerusalem by armed convoy. Out top secret records were being flown to Fayid with fighter escort. Robertson talked about the SCHULZ case. The Czech military attache who was supposed to be the agent's link does not appear to be very enthusiastic - we are, therefore, complaining to Prague.

After the meeting we discussed staff matters. Three possibles were put up for Australia - MacDonald, Hamblen and A.N. Other. Although I felt that MacDonald would be ideal for the job, I felt that we should be making a mistake in taking him away from S.I.F.E., which needs all the pep that we can give it. MacDonald has proved himself a useful second-in-command, and I am sure that Hugh would more than deprecate his departure. The D.G. is to discuss the matter when in Singapore.

I saw 'C'. He handed me certain documents that he had received from a source in the City. They related to attempts to export arms to Pakistan. The deal is at the moment held up because C.R.O. have insisted on the deal going through official channels. C.R.O. have referred the matter to the Pakistan Government, but have had no reply. I told 'C' that we were aware of these facts. He then told me that part of the arms for Pakistan are apparently to be passed on to Hyderabad. This is, I think, a new one as far as we are concerned. His informant has apparently heard of another interesting transaction. The Nizam of Hyderabad, who feels confident that his reign is likely to come to an end before very long, is anxious to get his wealth out of the country. This amounts to the small sum of \$400,000,000 in bullion and jewels. He is trying to think out ways and means. One suggestion, of which I did not entirely see the point, is that he should buy up the port of Goa from the Portuguese and ship from there. If he were to attempt to get his stuff out by air, he might be in trouble when he had to come down to refuel. Needless to say, RICKETT is highly interested in the whole proposition! I gather that this was one of the main reasons why Hyderabad wanted aircraft. A few of these were supplied by RICKETT through HUYS: as they were obviously tied together with bits of string, I think they were Halifaxes - they crashed on the way.



this and that it would clearly be a mistake for us in our reply to take cover behind the Inter-Departmental Security Committee.

The D.G. has received clearance from America to go ahead with his visit to Chifley. Hollis leaves to-morrow and the D.G. on Tuesday.

29th January.

'C' rang to tell me what he had heard from COTTON about de MURAUULT. We already had this information and I was able to point out to 'C' that RICKETT had a suspicion that de MURAUULT was a "plant" and that COTTON was quoting 'C' to RICKETT. 'C' took note of this and said that he would seek a suitable occasion to give COTTON a guarded warning.

Drew rang me about the Treasury leakage on Palestine finance. Bridges had passed on the information which the D.G. had given him to Norman Brook, and Norman Brook had told Drew to get on with it. He had been making enquiries, as a result of which he thought he had the document. He had discovered that it had been reproduced in the typing pool, instead of in the Cabinet Offices. He was getting the names of those concerned for us to check against our records. I warned Drew that the whole matter was extremely delicate, owing to the source, and fixed up a meeting between him and James Robertson.

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I saw Sir Alexander Maxwell to-day. He did not think that we could cancel BELLA's and HOMESKY's return visas. It would, of course, be entirely against normal practice to do this. I asked him about goading the police to keep observation on BELLA, pointing out that if they did so we should probably not be quite so well informed. He said he thought on the whole it would be better to leave the police alone and let things take their course. I made it quite clear that we could give no guarantee that things might not happen in the present circumstances.

I showed the paper on the handling of certain foreign nationals arriving in this country to Sir Alexander Maxwell. He said that, subject to anything that Paice might have to say, his feeling was that we should not in any circumstances extend the R.L.L. period longer than two months; he thought that even this might be stretching it a bit. I said that I thought this ought to give us time to assess the



bona fides of any particular individual and, if necessary, to send him back to the British zone before the period expired. I made it clear that we should be using S.Fs in our various establishments, with which he concurred. I have asked B.4. to ask Hinchley Cooke to take this up with Paice.

30th January.

At the J.I.C. to-day we had a long discussion about reciprocal treatment for Soviet Attaches in London. Apparently our Attaches are only allowed to travel to Leningrad by train after obtaining permission, and by car as far as a fill-up of petrol will carry them. They cannot obtain any petrol outside Moscow. Nobody at the meeting appeared to be very clear about the object of the exercise. In the end it seemed to be three-fold: (i) to give the Soviet authorities a slap in the face for their treatment of General Hilton, (ii) to get better treatment for our Attaches, by imposing similar restrictions on Soviet Attaches in London, and (iii) to curtail as far as possible the subversive activities of Soviet representatives here. The Army and the Navy wanted to reduce the number of Soviet Attaches here to parity with our Attaches in Moscow. It was pointed out to them that this might lead to the removal of all Attached on both sides. Were they prepared to accept the risk? They seemed doubtful, and the Air Ministry was emphatic. An added difficulty was that General Hilton was desperately anxious to leave Moscow - he appears to have "had it"! The final tentative decision was to await Molotov's reply to the last signal that he has had from the Foreign Office. If it were unsatisfactory, as it almost certainly will be, General Hilton should be withdrawn and the Soviet authorities should be told to withdraw General GORCHKOV (?). It was pointed out that General GORCHKOV(?) was only Acting M.A., and, moreover, that he represented Air interests as well. The request for his withdrawal might, therefore, lead to an additional request from the Soviet authorities for the withdrawal of our Air Attache in Moscow. However, this risk is apparently to be taken. Independently it is proposed that Colonel KLESHKANOV (?), who has dragged on here in connection with the repatriation of Soviet citizens, should be told to go by the Home Office. He apparently has no diplomatic privilege and nobody knows what he is doing. If this is done, it is considered that honour will have been satisfied! I confined myself to pointing out that if there was a complete withdrawal of Attaches on both sides, Moscow would win because they would have the Trade Delegation, with all their Attaches disguised in civilian clothes! If we tried to prosecute them, we should be told by the Board of Trade that we were jeopardising Russian wheat supplies!

Vickery has rung up to say that poor old Gandhi has been assassinated. We do not know whether he was shot by a Hindu or a Moslem. If the latter there is likely to be pretty serious trouble.

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We had an Appointments Board to discuss the posting of an officer to Ceylon and to Australia. The D.G., I think rightly, felt that we ought to consider first whether we could not possibly fill these appointments from our existing staff. If we bring in somebody like "George" Jenkin, we are narrowing still further our already narrow field for promotion. If we bring anyone in, it must be on the strict understanding that they accept the basic salary, and it may be desirable to make the appointment on a purely ad hoc contract basis. Each Division is to consider what candidates they have and to bring their names forward on Monday.

'C' rang up to say that he had had a letter from COTTON, which he begins: "I gather from our conversations that the two deals which I contemplate have the approval of the authorities concerned". I pointed out to 'C' that this letter, which COTTON will probably wave around implying that he had got authority from a Government source which would probably cover him in the event of any trouble. I thought 'C' should make it clear (a) that he did not wish to receive letters of this kind, and (b) that if he wanted authority he must obtain it from the proper department. He said that he would so inform COTTON when he saw him next week.

2nd February.

Dick, Hill, Derbyshire and I had a meeting about "SHARKEY". There were two points. First, his relations with GANO and GANO's indiscretions, and secondly our attitude towards "SHARKEY". As regards the first point, we decided that Dunderdale should be given the facts. As regards the second point, it did not seem that "SHARKEY's" information on an arms deal - allegedly for Pakistan, but probably for the Middle East - through [redacted] was likely to be of any great importance, since up to the present there was no sign of money. In view of previous discussions about our relations with "SHARKEY", it was decided that if he rang up Derby, could see him if



At the Appointments Board to-day it was decided that, subject to local approval, Courtenay Young should go to Australia. He is apparently very keen to do this. It was also decided that Vickers should go either to Ceylon or to Pakistan. Lastly we considered whether we could fill the third vacancy from somebody in the office. This would mean recruiting new people to fill the bottom rung in the vacancies. The general feeling was that "George" Jenkin was of too high a calibre to bring into the organisation, even on an ad hoc basis and on the basic salary. Horrocks also raised the question of the Honours List. I suggested that a note should be circulated to Directors, and that they should be asked to make their submissions.

### 3rd February.

Miss Bagot talked to me about our liaison with the French. She said that from her point of view the situation was not really satisfactory. She said that although there were some good people in R.5., the section as a whole did not seem to carry much weight with other sections in the office. The result was that counter-intelligence as we understood it was rather a poor relation. She thought it possible that we might be able to do better through Le Man.

### 4th February.

At the J.I.C. to-day we discussed a long paper from the J.S.T.I.C. on B.W. The paper showed the paucity of information on this subject and ended with a request for personnel to conduct further research. It was, however, quite clear that, in so far as Russia was concerned, the task of obtaining information was almost an insuperable one. I drew attention to the fact that in the paper there was no mention of exploiting sources in this country; for example, if we knew the names of firms which supplied the plant and materials for our own efforts in this direction, it would be possible to make contact with those firms and to ask them to report on any foreign visitors or strange enquiries. Somebody could then ascertain exactly what had passed between the prospective purchaser and the member of the firm by whom he was interviewed. By piecing all these together, we might get some idea as to the scope of Russian activities. This had been rather forcibly brought to my notice by the recent case of BORODIN, who is ostensibly purchasing penicillin plant.

Kenneth Strong immediately pricked up his ears, as it is of course the kind of thing that he ought to be doing. On the other hand, we have a very considerable interest in a man like BORODIN. If BORODIN is in fact purchasing chemical plant consciously for B.W. purposes, he may also be seeking information about our own efforts, and for all we know he may have got into touch indirectly with somebody important. If we could satisfy ourselves about his intentions and knowledge, we might consider him as a potential defector and take steps accordingly. Quite apart from the espionage or the defector aspect of the case, it seems to me that we are the only department which can exploit the whole field to the full extent. J.I.B. can talk to the firms, but it may be necessary



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the matter seemed important, but that we should not solicit any information. It was hoped that in this way the connection would gradually die out.

Rees of M.I.11 rang me up about the case of KOLLIBAY. The D.M.I. wants to answer the letter from General Lindsell. I told Rees that in my view the matter was really no concern of ours or the War Office. We had already put a member of the firm in touch with the Home Office, and I personally had spoken to the Home Office, who should properly know that a man they had naturalised was in a sense evading the decision of the Enemy Trading Dept. Rees agreed and said that it was, of course, difficult when an ex-General wrote in to the D.M.I.

Burt rang me up to say that the bomb in the case of dates had turned out to be a piece of Typhoon ammunition which had got left in the hold of the ship. The ship has previously been used for transporting armaments. The incident, therefore, had no significance.

At my meeting to-day we discussed a letter which has been received from the Treasury with the Minutes of a meeting held by Bridges and the Permanent U.S.S. of S., at which the D.G. was present, on the subject of Communists in Government Departments. The P.U.Ss are taking the line that we should vet all employees in the Service Ministries, Ministry of Supply and the Foreign Office. They say that it is impossible for them to arrange their departments in such a manner as to ensure that secret and top secret documents are only handled by certain sections. We propose to reply that they will get greater security if they vet an individual when it is proposed to employ him on secret work. There is not much security in vetting him only when he joins the Department. If, however, it is impossible to rearrange their forces in the manner suggested by the Prime Minister, they must understand that they will be accepting a lower standard of security, if indeed the proposition is a practical one from our point of view. We can only say if it is when we know what the figures are. We see no point in their suggesting that Civil Servants under 21 should only be vetted when they are employed on secret work: indeed, this is something of a contradiction, since they claim that they cannot organise their departments in such a manner as to let us know what sections deal with the secret or top secret material. If we are to vet all members of certain departments, we should include the 21s at the outset in order that they can be posted to some innocuous department. The Minutes of the meeting also raised the question of a statement by the Government that it was not their intention to employ members of subversive organisations on secret work. We saw no objection to this, but we felt that the Government would inevitably be drawn into stating what a subversive organisation was. We thought the dangers were two-fold: (i) The organisation which intended to overthrow the Constitution by violent means, and (ii) the movement which collected information and passed it on to a foreign power. As regards (i) it would only be possible to cite the Communist Party, and in the present circumstances the same would apply in (ii). This might not suit the Government as it would not include Fascists, the B.M. having given an order that both Fascists and Communists should be excluded from secret work.



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for us to apply all our resources to discover where BORODIN goes and whom he visits. Hayter asked about BORODIN's potentialities as a defector. I said that we were looking into his case, but we were far from being able to say that he was a likely bet. Apart from the many difficulties in making an approach in a case of this sort, it was first of all essential to know whether he had near relatives in Russia.

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// Kenneth Strong said that the Russians had torn up some of the single lines running back into Russia from the Eastern Zone; he thought this was perhaps significant and might indicate a defensive rather than an offensive move. In any case it was a situation worth watching, since if this was only a temporary measure to relieve the transportation system in Russia, it would be significant if the Russians began to rebuild the railways in Western Germany.. D.M.I. said that it was calculated that, irrespective of these measures, the Russians could in their own peculiar way maintain some seventy-five divisions of the line without additional rail communication.

Strong also thought it significant that, according to Russian published statistics, there was a decrease of some 6 percent in the Army and a positive increase of manpower in industry. This might indicate that the Russians were planning on a long-term rather than a short-term basis.

[C] mentioned that Winston was endeavouring to include SIGINT material in his war book: he was being extremely naughty about this, as he more than anybody should know how important it was to keep the whole thing secret.

5th February.

I talked to Hill about the Geneva Convention of the subject of internees during a war. The Foreign Office wants to introduce a clause stating that the decision has been made after due consideration of the grounds for suspicion. Hill fears that this can only open the door to discussion between the neutral or protecting power and the Government on the reasons. This, of course, is the one point that we have been trying to avoid. If the phrase means no more than stating that the Government, as distinct from the Police, is accepting responsibility for internment, this is all right, but it must be clear that the decision of the Home Secretary is unfettered (?) and that he cannot be called upon, either by the protecting power or by Parliament, or by any other authority, to state his reasons. We know from experience in the last war that disclosure of these facts would virtually have made our work impossible, particularly in connection with the running of double agents.



Harry Allen and I went over to see Winifreth of the Treasury to discuss with him the policy with regard to subversive elements in the Government service. The P.U.Ss, with Bridges in the chair, met the D.G. on this subject before he left for Australia. They were emphatic that they could not divide their departments into secret and non-secret categories, and that they wanted a complete vet of everybody now employed and of all intake over the age of 21. In addition to this they wanted a special vet for those entering secret employment. This seemed in a way to be a contradiction. It was difficult for us to say how far we could undertake the work or what additional staff we should require until we could get figures. Winifreth undertook to produce these. I thought, too, that it would be as well if those concerned understood that an increased vetting commitment did not just mean going out into the street and getting six more men: such people would be able to do a purely routine job of saying that there was no trace, but they would not be qualified to assess the value of a trace until they had been in the office for several years: this meant that the decision, which was always a vital one to the office, and indeed to the party concerned, had to be made by those on the investigation side who were already extremely hard-pressed and were, in fact, the people producing the records on which the vetting is made.

Winifreth was very sympathetic and clearly thought that the P.U.Ss were fairly wide of the mark and imbued with a false sense of security. They were inclined to think that once their department had been vetted they could sit back complacently with folded arms. He said that already the Air Minister and the War Minister had refused to accept a general vet: this left the Admiralty, the Ministry of Supply and the Foreign Office. We then discussed the suggestion that some statement should be made. I said that after careful consideration I felt that it was important that nothing should be said about political parties or subversive movements, since this would inevitably draw the Government into a position where they would have to define what they meant by a subversive movement: they could say that it was a movement which advocated the overthrow of the existing Constitution by violence and/or a movement which owed allegiance to a foreign power. If they did this, the Fascist Party would be excluded and it would certainly not be easy at the moment to prove a case against the Communist Party. They must, therefore, stand on their right to assess the reliability of the individual and the kind of employment for him they thought suitable. Above all, they must avoid any obligation to give reasons. Winifreth said he was relieved to hear this because he had just been drafting a reply to the National (?) Staff side, who had approached Bridges on the subject of dismissal of Civil Servants, and in particular five members of the Communist Party. They wanted the Treasury to state that the membership of a political party in itself did not constitute grounds for dismissal, refusal of establishment, or any special departmental posting, and that considerations beyond membership of a political party which were being taken into account, with adverse results to any officer, should be revealed to the officer concerned. The Treasury is replying that certain duties of the Civil Service are so confidential that the State is not discharging its obligation to safeguard the public interest if it employs persons about whose discretion or reliability there is any doubt whatever. Ministers,



therefore, think it essential that the State should retain the power in practice to refrain from employing such persons on work of that character. The letter goes on to say that while there may be cases in which the grounds for doubt of an individual's reliability could be communicated to him, usually this would not be possible, since to do so might involve disclosing the steps taken and the tests applied to safeguard the State's most vital interests. They also refused to give an assurance about membership of a political party, not because it is admitted that such membership by itself will be treated as a ground for action, but because again the tests applied to safeguard the State's most vital interests cannot be disclosed. The paper, on giving an account of the meeting of the Permanent Under Secretaries, is going forward from the Treasury with the recommendations: (a) that no public statement shall be made, and (b) that departments shall be given the option of saying whether they want a total vet or only a vet of those going into secret employment.

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6th February.

General Gubbins called on me at my request in order that I could tell him about SEVILLA. Gerald Tessler had asked me to do this. I showed him a copy of my letter to Gerald. Gubbins was not surprised at the man's record; he thought, however, that SEVILLA was an interesting character: he obviously had a lot of money and seemed to be able to travel about on the Continent, even to Poland, in a large car with much difficulty. Gubbins said that he would let us know any further information that might come his way.

I had a long talk with Mitchell about Communism in the B.B.C. He and Simkins have had conversations with General Jacob. Three of the people working under him in the Eastern European Department had very close Communist connections, and it looked from their telephone conversations that they were trying to get their point of view across by wrapping it up with other information. Jacob said he trusted FRASER, the head of this department, but was open to conviction that he was being double crossed if we could give him the evidence. Moreover, he would not hesitate to act. The line that FRASER took with him was that in order to get across the point of view of the British Government, it was necessary to show some understanding for the point of view of the Eastern European countries. I agreed with Mitchell that we should show General Jacob the evidence in the strictest confidence, but that we should urge him to do nothing until we had satisfied ourselves that FRASER and his associates were working against the interests of this country.



We had a meeting about MOCSAN and SALOMAN - Dick, Miss Chenhall Charles Butler and myself. Both these individuals were O20 prisoners, and by some mistake MOCSAN was given SALOMAN's money and SALOMAN MOCSAN's. MOCSAN is down by some £ 500 and has registered a complaint. They are both, I think, now in Hungary. I thought it was useless to try and get any money back from SALOMAN, and that we should have to foot the bill. The difficulty is that MOCSAN will want his money in dollars. Charles is going to approach his contact at the Bank of England.

Mrs. Quin came to tell me that on the instructions of Superintendent Thompson, Johnson of S.B., who deals with Dutch affairs, has been told that he is not to come over here, except with his, Thompson's, special instructions. I do not know what is at the back of this, but I shall be speaking to Burt about it.

9th February.

For Minutes of D.D.G. meeting see folder in D.D.G's Secretary's tray.

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10th February.

I attended a Working Party on the future constitution of the J.I.C. It became more and more apparent how difficult it is to divide the subjects of Intelligence, Organisation and Security; they are, of course, interdependent - one invariably has a bearing on the other. I said that we knew this from our own experience in our own office: it was for that reason that I thought it desirable to keep the Chairmanship of the J.I.C. and the Deputies' Committees in one hand, namely, that of the Foreign Office, instead of leaving the Chairmanship to the senior Service representative. I do not think that the Services altogether liked this idea; there was a tendency to think that the oldest member should always take the Chair. In the end we compromised by saying that the Chairman or his Deputy would take the Chair, and that in the absence of either the Chair would be taken by the senior Service representative. As regards the Chairmanship of the Sub-Committee on Security, I said that security was a subject in which we specialised and one which above all needed continuity - it might, therefore, be for consideration when the present A.D.N.I. vacated his office, we should take over the Chair. This view was accepted and the position was deemed to be covered by a sentence in the draft, stating that the allocation of Chairmanships to various departments should be reviewed periodically.

I had a talk with Mann. He said the Chief Constables in Scotland seemed quite happy and were looking forward to talks from Oughton and James Robertson. He was anxious that I should give a talk at a Chief Constables meeting later on in the year. I said that I would be very pleased to do this.

Hinchley came and talked to me about the case of Mrs. O'GRADY. She got ten or fourteen years imprisonment for espionage in the Isle of Wight. She had done seven years and the Home Office were anxious to



release her. Hinchley had obviously been against this, but had evidently modified his views as a result of conversations with the Home Office and the D.P.P. I do not think that Mrs. O'GRADY communicated anything to the enemy, but she certainly would have done so if she could have found an opportunity. My view of the case was that she was slightly crackers! I am certain that she could be released without harming anybody. She may become a spy again, but she will always be a bad spy.

11th February.

Perrins of atomic research attended the J.I.C. to-day, primarily for the purpose of discussing whether estimates of our strength, American strength and Russian strength in atomic bombs should be published in the J.I.C.'s world review. The final conclusion was to omit any reference to numbers. It was thought, however, that ultimately we could state whether by 1957 we were likely to be in a stronger position than the Russians. The Americans are extremely cagey on the whole subject, even with their own people, in fact the Macmahon Law prohibits the passing of any information about their production figures to any but a selected few in the U.S.A. In fact, we know their figures, with their knowledge and consent, but it would never do to make this fact public in any way. Portal has recently set up a Committee which is to relate to requirements in production. This will be a difficult job, since to state requirements needs a far greater knowledge than we have at present of vital targets in Russian and a proper assumption of what will be the range of our aircraft in the future. Meanwhile, Tizard has set up a Committee, which is engaged on getting out a pamphlet which will show what an atomic bomb can do: apparently the blast effect at 1500 to 2,000 feet is far greater than at ground level, but at ground level the area covered by radio-active particles is far greater. There is some doubt whether the Americans have ever given serious consideration to the effect of atomic warfare on Russia or to the selection of suitable targets. There is a possibility of a super (?) atomic bomb, but on present showing it is unlikely that this will be available during the next ten years. It is a sound proposition on paper, but we are no nearer its manufacture than Sir James Rutherford was to the manufacture of the present bomb when he first split the atom.

A discussion followed about recent discoveries of uranium in the Rand gold mines. Welsh said that the deposits here were geologically unique. This seemed to be a rather sanguine statement: they may be unique now, but unless world geological survey is complete, which it certainly is not, similar deposits may be found at any moment, and indeed may have already been found in Russia. The Rand mines are about 8,000 feet deep and the gold is extracted by some chemical process through the use of cyanide. All that is necessary to extract the uranium is to apply another chemical process to the deposits after the gold has been removed; this makes the proposition an economic one. The known gold deposits in Russia are of an entirely different nature to those found on the Rand. In the Belgian Congo there is an exceptional concentration of uranium, but it is not likely to last so long as the deposits on the Rand. Uranium is to be found in shale deposits, and a considerable area of these exists north of Leningrad. With unlimited manpower uranium



can be extracted, but the proposition would be wholly uneconomic. An enormous plant would be needed and it would be almost impossible to keep the project secret. There is a small but rich deposit of uranium in Mozambique, but the previous information about the Gold Coast seems to be erroneous; there are deposits there similar to those on the Rand but they do not contain uranium.

We also discussed the question of the Attaches in Moscow. The Air Force were very anxious to retain their representation; they said that far the best information that they had got on the Russian Air Force was at the May Day party, and that they were making special preparations for this year. The Navy said they got no Intelligence, and the Army still felt that there was something to be gained by keeping representation in Moscow, both on a short term and a long term basis. Our previous recommendation about withdrawing Hilton and asking for the withdrawal of GORCHKOV (?) and KLESHKANOV (?) was agreed to.

Hunter brought Long to see me. Long, after twenty years service as one of our Watchers is retiring. He has done splendid work.

Norman Brook told me that Jack TANNER was now the T.U.C. representative on the Economic Planning Committee. He thought that responsible Ministers ought to know just where TANNER stood. I said my impression was that TANNER had moved very considerably to the Right, although of course he had a bad past. In the twenties there was evidence to show that he was operating in close touch with the Soviet agent Jacob KIRSCHENSTEIN. I told Brook that I would look up the papers and come to see him.

Dick Butler came to talk about the Stephens case, which has now been postponed until May. He appears to have had some wordy passages with Shapcott, the J.A.G.

Miss Russell-King came to talk to me about passing information concerning a Communist employed on one of the French Missions. I said that it all depended on the source, but that if we could do so I should like to let Le Man know.

#### 12th February.

The D.G.'s telegram about his first meeting with Chifley. It was a little bit sticky at the start; Chifley appeared to think that there was some personal accusation and stated at once that neither he nor any of his Cabinet colleagues had seen the telegrams referred to. This, of course, was true as he was not in office at the time. The D.G. hastened to explain that he was merely there to tell the Prime Minister that a leak had occurred and to stress that enquiries should be made. Chifley accepted the leak of the first document, but was doubtful about the second one, which he said was a matter of common knowledge through Australia at the time. It was with some difficulty that the D.G. got him to concentrate on the first document. The D.G., as far as I can see, has not disclosed the source of his information, but has put over cover story A., namely, that our knowledge of the leakage came from a defector. Chifley



agreed to the investigation and asked the D.G. and Hollis to meet Sheddon in Melbourne, and to meet ~~him again with Sheddon~~ in Canberra at a later date.

13th February.

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Wild came to see me about the last meeting of the Hollis Committee, and also about a letter received from Thistle, who had been asked to give a lecture to the equivalent of the I.D.C. in America on the subject of deception. I told Wild that in my view this gave him the opportunity of going out with Jack Easton. It seemed the more desirable, since Easton was now to take out some concrete plan for discussion with the Americans. Wild said that he would put forward the suggestion.

Graham Harrison telephoned to say that he was passing our letter about detainees in the event of war to the Foreign Office, who had suggested an ambiguous amendment in the brief for our delegates to the Geneva Convention. He thought that before the matter was put to the P.M., the Foreign Office should state exactly what they meant.

At the Appointments Board to-day it was decided that ~~should be told that he could not be established.~~ We subsequently examined the nominations for the June Honours List, and went through the list of officers who it was thought desirable to put on our reserve in case of emergency.

Burt called. I talked to him about Johnson, his Dutch expert who had been told by Superintendent Thompson that he must in future ask permission before visiting Mrs. Quin. I said that I hoped this did not imply any desire that there should not be as free an exchange of information as possible between S.B. officers and the section officers in our department. Burt hastened to say that this was not his intention. I gathered that Johnson was not altogether an easy character, although there was no suggestion about his integrity, Burt thought it was right and indeed necessary to have some general order that S.B. officers should report their visits; he thought anything else might be dangerous from our point of view. He had all sorts of people wished on him about whom he frankly knew very little. It might be dangerous if they all thought they could come over here and collect information of a confidential kind.

Under the date October 10th, 1947, the British Embassy in Moscow tried to analyse Russian intentions. They point out how easy it is to be misled by statements made periodically by Stalin to leading Press representatives or important visitors. These statements are invariably made with some short-term purpose in view; they are often in direct contradiction of statements made at important meetings of Russian Communist Party representative it is these that really show the state of mind of the Soviet leaders and their long-term intentions. Stalin is determined that Soviet Russia should be strong enough to prevail in the decisive struggle which should result from the next and inevitable crisis



of monopoly capitalism (?). The clash is not, however, necessarily imminent and in the meantime the Soviet Union is prepared to rub along with the rest of the world, provided of course that this entails no weakening of her position for the ultimate struggle. The Soviet leaders favour the centralisation of power in Germany, but only on condition that the Soviet Union has a controlling influence on the exercises of that power. Russia is not yet directly disputing Britain's position in the Middle East, but at the same time she is weakening it and would like to see herself established as a Mediterranean power.

The above analysis suggests two conclusions. The first is that nothing the Western world can do at present will remove from the Soviet mind in the foreseeable future the fatalistic conviction that a collision between east and west is inevitable, and with the consequent determination to push through the preparations deemed necessary to face the clash successfully when it arrives. The most that we can hope for is that the passage of time without a collision will of itself induce greater elasticity in the Soviet mind and consequent recognition of the mutual advantages that lie in the conception of one world as opposed to two. The second is that although Soviet policy is conceived as strategically defensive, its execution involves the same military preparations, the same striving after self sufficiency, the same propaganda campaigns and the same tactics of stalling intervention and attempts at disruption as would a policy planned for aggression. It therefore carries with it the same dangers and forces upon us preparedness and vigilance.

16th February.

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I saw 'B', with whom I discussed a telegram to the D.G. telling him about information received from S.I.S. about LIVANOV, the Soviet Ambassador to Australia, who is at the moment here in transit. LIVANOV had boasted that he had a number of informants in Australia, that he knew all the secrets of the Australian Government, and was master of the situation. We agreed to the terms of a telegram



indicating that this information had been picked up during LIVANOV's stay in London, and that it could be transmitted to Chifley and Sheddon. We also pointed out that it might provide suitable cover for information about individuals which we hoped to get from L.S.I.C. sources. I also discussed a telegram which we had received from Australia, indicating that Polden, the SIGINT man, had in January last told Chilton that there was a leakage of information from Australia. 'C' was extremely annoyed about this; he had no means of communicating with Polden by telegram, except through the Australians - he thought, therefore, that the best way was for Hollis to get into touch with him in Melbourne and find out exactly what he said. The whole incident was unfortunate since the mere fact of the information coming from Polden might suggest that it was from a SIGINT source.

D.D.G. Meeting minutes in folder in  
D.D.G. Secretary's tray.

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I was asked to attend a meeting at the Home Office with Maxwell, Newsam, Scott, Howe and Baker. The Home Secretary was apparently worried about the increase of crime, and a suggestion was made that possibly a highly qualified officer might be turned over to deal exclusively with important receivers. The police did not think that this was likely to solve their problem; they said that so far as they knew there was no master mind behind the crooks, and that in any case receivers and crooks were so mixed up together that there was no particular advantage in concentrating on one or the other. Crooks did not usually work in gangs; two or three of them might join up for a particular job, but they would then disperse and not work together again, at any rate for some considerable time. The police rely for their information on differences of opinion between the crooks and the receivers, and of course on old lags. They did a certain amount of observation, but this was not easy; they also ran telephone checks, but these produced very little information of value as those who spoke were always extremely guarded in what they said. What the police really wanted was an increase in manpower; there were only about sixty officers in the Flying Squad with an enormous field to cover. There was also a shortage of cars. They could not denude their outstations more than they had already, since local crime was considerable. In



addition to an increase of staff in the C.I.D., there was a serious need for an increase in the uniformed branch; the number of policemen on the beat was very small. Another difficulty was that the cars that they received were all of the same type and easily recognisable. Maxwell said that he had always been very impressed by the cases which had been brought to him by M.I.5., particularly by the careful research work that had been done. He wondered whether the Yard might not economise in manpower by employing women in their Registry and for the purposes of research. Howe said that this had been considered with Baker, but that it had been agreed that there was considerable advantage in police officers doing a period in the registry, as it was useful to them to know exactly how documents were classified and the extent to which they could rely on their records. The main argument of the police against using M.I.5. methods was that M.I.5. were dealing with organisations, whereas in the crook world there was no organisation or master mind behind the whole business. A suggestion was made by Baker that possibly the police might make use of our Watchers. I said that our staff were already heavily overburdened and that this would be quite impossible. Maxwell and Newsam were not wholly persuaded by the police arguments and urged them to consider whether they could not make better use of their existing manpower by concentrating on what they felt were the more important cases. I was somewhat embarrassed by Maxwell's praise of M.I.5. methods, and was amused to think that the Home Office called in M.I.5. to assist in solving the Yard's problems! I think if Sir Norman Kendal had been Assistant Commissioner he would have blown up completely!

I had a private talk with Maxwell after the meeting. I reminded him of the work that we had done during the war on Black Market cases, and of the fact that we had achieved very considerable results with

Our great difficulty, however, had always been to get proper action taken without jeopardising the source. Unfortunately we had had some very serious set-backs owing to the information we obtained having gone straight back via the police to the crooks.

The D.G. has telegraphed that he has had a satisfactory meeting with Sheddon and Brigadier Chilton. The latter is concerned with Australian SIGINT. The D.G. is anxious if possible to use the second document. 'C', however, does not like the idea of this, owing to the risks involved and the fact that another approach would have to be made to the Americans.

17th February.

I lunched with Van Moyland. He told me that there had still been no solution of the differences between Einthoven and Van Angeren, although he expected something to happen before very long. He seemed satisfied that things were moving in the right direction.

I saw Norman Brook about Jack TANNER. He asked me to let him know about TANNER's general background, since he had recently been appointed as T.U.C. representative on the Economic Planning Committee. This would give him access not only to Home affairs, but also to information about our dollar position. I told Brook that we had not

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turned the heat on to TANNER for a very long time as we regarded him as respectable. While he had a considerable past and was even at one time concerned with espionage, we had heard nothing that would indicate that he was now working for the C.P. This did not mean that he was not fairly intimate with people like Harry POLLITT. On the other hand, if there had been anything really serious I thought that we were almost bound to have had a sniff of it. Brook said that he would say a word confidentially to those in authority concerned, and that meanwhile he did not want us to do anything.

He then asked me about a reference in Tangye's report to Diana LYTTLETON, the Press representative at the Palace. From his own observation he thought she might be a little tiresome and he intended to sound a warning not to Tommy Lascelles.

#### 18th February.

At the J.I.C. this week we discussed the reorganisation plan of the Working Party. It was agreed that in the absence of the Chairman, his permanent Foreign Office Deputy should take the Chair at the Deputies' meeting. Kenneth Strong was the only dissenter. He told me afterwards that he was worried about the Foreign Office becoming too powerful; he thought that it would have been a good makeweight if the senior Service representative had taken the Chair from time to time. Personally I think the decision is a good one and it keeps the Committees of the J.I.C. together and co-ordinates in the office of the Chairman Intelligence, Organisation and Security. The Committee also decided that the Security Sub-Committee should be chaired by M.I.5. when the present A.D.N.I. left in April or May.

While the Ds. of I. were with the Chiefs of Staff, I had a long talk with Kenneth Strong and Lamb of the J.S.T.I.C. about the implications of the BORODIN case and the extent to which I thought we ought to be able to assist J.I.B. in the future. Kenneth Strong agreed with all my suggestions: he thought that overt intelligence and SIGINT could supply between 80 to 90% of what was required, and evidently felt that, except for a limited field, S.I.S. was a waste of time and money. He told me that C.I.A. information was nearly 90% overt.

Dick, Horrocks, Charles and I had a discussion about our withdrawal from Palestine and also about administration of B.C.I.S. in Greece.

#### 19th February.

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I told 'C' about my ideas for the co-ordination of the work of J.I.B., C.P.R. J.S.T.I.C. and ourselves. He seemed quite satisfied.

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20th February.

Dick, Charles, Joe Spencer and I examined the plans for Leconfield House. We decided in principle that the Heads of B.1., B.2. and B.3. should be with their sections, and that Directors should be with the D.G. and myself.

I lunched with Guy Burgess. He asked me again about Andrew REVAI. He told me that he had made it clear to REVAI that he could not discuss politics with him as he had given an undertaking to Hector McNeal not to do so. He thought REVAI was worth looking into.

Colonel Ford of J.I.B. came to see me at Kenneth Strong's request. I really covered with him the same ground as I covered with McEwen. He seemed entirely in favour with all the suggestions made and welcomed the idea of a meeting.



23rd February.

Dick, Harry Allen, Mitchell, Simkins and Furnival Jones and I had a meeting about [redacted] who is in the middle of our B.W. planning. There is no doubt that [redacted] is a Marxist of long standing, and that up till 1943 he was a member of the C.P. Since 1943 he has not come to notice and will be taking part in Operation HARNESS in the Spring. We have had him under close observation by H.O.W. and B.6. for a period of two months, without any result. Even assuming that he has left the Party, he probably remains fundamentally a Marxist, whose loyalties in the event of war with Russia might conceivably be doubtful. C. Division seemed to think that he ought to be removed to some other sphere. What seemed to me to be lacking was any first-hand evidence of the kind of person he is. I thought that we ought to tell the Ministry of Supply what we know and see whether we could not get a better picture before making any recommendation.

For minutes of D.D.G. meeting held to-day see folder in D.D.G.Sec's tray.

We have sent a telegram to Bill Magan, telling him that the Foreign Office have agreed to two of our officers staying on in Palestine, and Ffoulkes to go with the G.O.C. to Haifa. We have told Magan we think that he should arrange to evacuate all of the female staff from Palestine as soon as possible, if this is practicable.

U'ren is fussing about our getting Patel's approval to his appointment before he goes to Delhi. We do not think that this is either necessary or desirable. It is really crossing a bridge before we get to it.

24th February.

I discussed with Dick our Charter for Burma. We are having difficulty with the Foreign Office about running agents. All we want to do is to collaborate with the Burmese Police in any projects which may come to our notice or theirs.

Gleadell rang me up about a visit by Sir Ben LOCKSPEISER to Australia, where he is intending to give off the works on our recent technical developments. In the present state of Australian security, nobody is thinking that this is a very good idea. I said I thought he ought to go sick! If he goes he must rely on Sheddon to arrange that he only speaks to thoroughly reliable people. In view of the case of leakage now being investigated, Sheddon will have the risks very present in his mind.

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25th February.

The following "off the record" points came up at the J.I.C. to-day.

The discussion on SIGINT priorities has been postponed until Travis has had an opportunity of explaining certain technical difficulties. The Foreign Office was dissatisfied with the Working Party's report, which they felt seriously neglected their interests.

In deference to the wishes of the D.N.I., the J.I.C. is in future to meet on Fridays. On the first Wednesday in every month they will meet before going to the Chiefs of Staff, and will see the Planners afterwards.

The Deputy Directors' meeting will in future be held on Wednesdays. When the reorganisation comes into force, the Deputy Directors (O. & S.) will meet on Thursdays.

Warner, who is now controlling the embryo P.W.E., vice Kirkpatrick, is to meet the J.I.C. as soon as he has seen the Chiefs of Staff. He is to be in charge of our "cold" war.

D.N.I. is worried at the extent to which the Air Force is collaborating with the French. It had now been suggested, in a paper to the Chiefs of Staff, that they should extend their collaboration to research and development. D.N.I. was the more worried because he understood that the French Air Ministry and aircraft industry were both notoriously penetrated by the Communists. A.C.S. replied that the Chief of the Air Staff had considered this matter very carefully and felt that the risks had to be taken. The view was that unless we collaborate with the French now, their Air Force will die.

D.N.I. stated that on instructions from the Foreign Office, N.I.D. have been turning down any requests for information, however small, from the Spanish Naval Attache. He wondered whether this was wise: Spain was strategically important to us, and we could do quite a lot to build up her small navy if we were allowed to help. The Spaniards appeared to be particularly anxious to obtain our assistance. Hayter said that the objection was, of course, a political one, but that he would look into the matter.

There was a discussion on security in our Dominions. D.M.I. said he was being constantly frustrated in his efforts to pass them information, owing to their lack of security. Could not something be done at a higher level? It was explained to him that efforts were being made in this direction, particularly in Australia, but that we could not go further than to tender advice. Canada, we thought, was reasonably secure, but we could not say the same for any of the other Dominions. We hoped that when we had an officer in Australia, we might be able to exert a certain amount of influence towards improving the situation.

There followed a discussion on Sir Ben Lockspeiser's visit to Australia, where he is to speak on our technical developments to the C.S.I.R., and also to Service Chiefs. These discussions might go even wider than this. It was agreed that he should be warned in general terms of the lack of security in Australia, and that he should see Sir Frederick Shedden, who was fully conscious of the present state of affairs, and rely on him for advice as to what he could say and to whom he could say it.

A.C.S.I. said that the aerial survey of Turkey had been held up as Turkish maps had no triangulation to which photographs could be related. This meant that RADAR methods would have to be used. Our



Geoffrey Wethered called. He had just returned from Prague, where he had been looking into one or two crude attempts by the Czechs to penetrate our Embassy. An approach had apparently been made to a woman in the Information Department; she had been asked to report on the Ambassador's views, to which of course she would not normally have any access.

The approach was made by a Czech, who did not disclose his identity or office. She was told that if she collaborated she and her parents would be given visas for Italy, for which they applied some time ago, as the woman herself is half Italian.

I told Wethered that it might be useful if he could keep us informed of any incidents of this kind, however trivial they might appear. We should always be interested to know the kind of questions that the Czechs were asking. I told him, too, very confidentially, that there might be openings in cases such as these for deception. I therefore propose to mention the matter to Wild. I do not suppose that S.I.S. have informed either ourselves or L.C.S. about this case.

Harry, F.J., Dick and I considered a paper by F.J. on the employment of aliens in industry and research establishments. This paper, when its final form has been agreed, will be passed to the J.I.C. It draws attention to all aspects of this problem, both short and long term, and makes certain recommendations. The whole question has been forcibly brought to our notice through the return of certain Poles to their native country and attempts by one, KUHN, to recruit others who are still here.

'C' tells me that the detailed texts of deciphered telegrams have just arrived from Washington. We shall now be able to give Hollis some further data to work on. Meanwhile, I am trying to get from S.I.S. the dates on which the two basic telegrams were transmitted to Moscow. This information is required by Hollis, who has established that they went first to Australian J.I.C. and subsequently to External Affairs, where they were till February, 1946.

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26th February.

I had a meeting with Dick, Derby and Harry Lee to discuss what is known as the KOLBY case. Through BRIT and other sources we have learned of the presence here of a man called KOLBY, accompanied by an American Jew called SCHMAL and another one called MINZER. KOLBY, who incidentally is an ex-F.B.I. officer, is pretending to represent certain big business in America, who are anxious to finance Fascism and in particular, MOSLEY. In fact they represent the World Jewish Congress movement and are in touch with the representative body over here, and in particular with a rather influential Jew in London called

Their idea is to worm their way into MOSLEY's confidence, find out as much as they can about Fascism here and elsewhere, and in particular whether MOSLEY is already in touch with influential business sources in America, from whom they believe he is receiving money. This is, as far as we can ascertain, the true purpose of KOLBY's mission, but they are all so tricky that there might be all sorts of other wheels within wheels. They have gone so far as to set up a bogus office over here in order to build themselves up, and there is some question of a combined Anglo-American publication of a Fascist kind. The position has been complicated by the fact that KOLBY, as soon as he arrived, approached S.P. and told them what he was doing. Not only that, he got Thompson to fix him up at a hotel and to register him in a false name - his real name is TRACY. We felt, therefore, that it was time that we had cards on the table with the Yard, since we saw a possibility that as they had been drawn into the swim there might be awkward revelations at a later date - it might even be said that they were facilitating these Jewish agents to carry out espionage on MOSLEY in this country. On the other hand it might further be said that they were participating in what might amount to direct provocation.

There was an added complication, in that Burt had heard through KOLBY that MOSLEY suspected that BRIT was an M.I.5. agent, and that Thompson's conversations with SALOMAN had been shown from our sources to be singularly inept. From our point of view it was obviously desirable to get BRIT out of his present entanglement. I therefore got Burt to come over, when we discussed the whole case. He saw the implications and clearly had he known would never have allowed Thompson to register TRACY in the false name of KOLBY. He had only just been in time to stop Thompson dining with KOLBY and SALOMAN and a whole lot of other Jews. We told Burt that BRIT was our agent, and agreed that it was absolutely necessary that he should inform Thompson, on the understanding that the matter went no further and that Thompson was discreet in his conversations with SALOMAN. I am not very happy about this, but it was unavoidable. We then agreed that we would inform BRIT that we doubted the bona fides of KOLBY and Co., and that he should, therefore, extract himself from the party and ultimately tell MOSLEY that he believes these people to be working a "plant" on the B.U.F., possibly in Jewish interests. In addition to getting us out of the mess, this should allay MOSLEY's suspicions about BRIT.

I saw Sir Robert Knox about our recommendations for the next Honours List. He did not think it likely that we should get more than two and seemed satisfied with the recommendations put forward.

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Johnstone and I attended a meeting of the B.W. Committee to discuss the penicillin problem. Sir Paul Fildes, who I believe is the last word in B.W., said that if the Russians tried to cultivate B.W. agents with a penicillin plant, those concerned would probably die of a foul disease, since any plant of the kind would be much too leaky, but when challenged by Professor Wilkins, he agreed that the technical "know-how" of the penicillin plant might give the Russians valuable clues. This, however, was a matter to be explored with the firm of Glaxo, who are apparently the principal suppliers of the best penicillin. It was agreed that Wilkins and Sir Paul Fildes would see Glaxo to-morrow and report immediately on their views. Meanwhile, it was felt that we should clear up the position vis a vis America, who had sold us the manufacturing rights. If it was their policy to refuse penicillin plant and technical "know-how", we should have to keep in step.

I saw 'C', who showed me the latest telegrams from Washington on the leakage case. It is now clear that the document we showed to the Australians was "found" in Sir Frederick Sheddon's office. It seems, too, that there is a possibility of leakage in Evatt's office. The texts are, however, so obscure through missing groups that it is very difficult to get at the facts. I have taken away the documents to study and have suggested to 'C' that we should put up to him a draft telegram to send to Hollis, for his personal information. We would also consider whether it was possible for him to pass on any of the facts to the Australians under suitable cover, since only in this way was there much chance of our laying the culprit by the heels.

#### 27th February.

At the J.I.C. to-day we discussed the question as to whether India and Pakistan should remain in category A. for the passing of information, or be downgraded to category B. There were various other alternatives, and a note is to be prepared by the J.I.S. on all the pros and cons. The matter is considered to be particularly important, since the Indians are likely to be very sensitive. We do not wish to alienate either party, the more so since India seems to be veering back towards remaining in the Empire. This, at any rate, is Mountbatten's view. The decision on Pakistan is equally important, since it is invaluable from the point of view of defence against Russia. Coupled with all this is the question of supplying arms. If either party does not get them, they will undoubtedly seek help from Russia. On the other hand, if we give adequate supplies to both sides there will undoubtedly be a blood bath, out of which the Russians may profit.

A number of other subjects were discussed, including penicillin. A report is to be made to the Chiefs of Staff on the results of the interview with Glaxo. Meanwhile a wire is to be sent to J.S.M. Washington to clear up the position with the Americans.

I took the opportunity of raising the wider question about our policy with regard to building up Russia and the satellite states, and for this I got the warm support of Watson of J.I.B. He agreed that there was at the moment no policy and no co-operation. It seemed to be merely accidental that incidents such as the penicillin one came to notice. It seemed that the first thing was to have a policy, and secondly, somebody should see that it was carried out.



stated that General ULEPIC, Chief of Staff of the Yugo-Slav Air Force, had approached the local authorities with a view to defection within the next few months. The Swiss want to know whether we should be prepared to receive the General in this country. Nobody seemed very clear as to whether General ULEPIC's information is likely to be of any value.

Brodie had some suggestion that, in view of the recent happenings in Czechoslovakia, we might broadcast encouragement to Czech technicians urging them to defect and offering them jobs in this country, presumably in our war industry. I said that we were at this moment preparing a paper on the whole question of the employment of aliens in our war industry, and that this matter had been forcibly brought to our attention by several cases of Poles who had been employed on highly confidential work and subsequently elected to return to their own country. One of them had since returned and was trying to suborn his colleagues. I thought Brodie might do well before pursuing this matter to see a copy of our memorandum pointing out the various snags.

I lunched with Mitchell, one of J.C.'s candidates for the office. He seemed a nice boy and intelligent. I brought him back to have a talk with Dick.

I saw Air Marshal Sir William Dickson, who is replacing Charles Medhurst in the Middle East. I gave him a brief outline of the work of our organisation here and abroad, and went into the position of S.I.M.E. in some detail. I told him that Bill Magan would be calling upon him, and that I hoped he would make full use of our organisation. I said that we attached particular importance to the work being done by Jack Morton in Iraq, where he had Air Force cover, and that I hoped everything would be done to render this cover as nominal as possible in order that Morton could devote his whole time to his intelligence work and liaison with the Iraq police. I said that he had had certain difficulties in this respect, and in particular with regard to accommodation, but that things had now improved. I hoped that the Air Marshal would give him every support. Dickson thanked me very much for having come to see him and expressed his willingness to do anything he could to help us; he would certainly get into touch with Bill Magan on his arrival.

I had a talk with Horrocks, who is leaving for Singapore to-morrow. I asked him to tell Bill Magan about Air Marshal Dickson.

I saw Herbert Morrison, in order to tell him about the P.M.'s query in connection with a broadcast to Canada made by ZILLIACUS on foreign policy. I told Morrison that these broadcasts had been arranged in the Spring of 1947 with the Canadian Broadcasting Corporation. The idea was to have a Conservative, a Labour and a Left Wing Labour speaker on either side. Two names had been suggested by the Canadians for the Left Wing Labour speaker, namely, Michael FOOTZ and ZILLIACUS. An approach had been made to FOOTZ, who said that ZILLIACUS would do it much better. "What a fool" said Morrison.

Morrison then talked about the D.G. of the B.B.C. He said the he was very good in many ways, but that he seemed to have some queer

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streaks of conscience. Morrison thought he had some idea in the back of his mind that the Government wanted to take over the B.B.C. - nothing was further from their intentions. Morrison then told me about a man called BECKETT WILLIAMS, whose address he gave as 54 Blenheim Terrace, N.W. He said that this man was, he gathered, employed by 'C's' organisation and had talked rather indiscreetly during the war about what was going on at Peenemunde. Furthermore, he had apparently been saying some rather unkind things about the Labour Party and about Mr. Morrison in particular! Morrison hastened to say that of course every man was entitled to his own opinions and that he did not hold that up against him: at the same time, he felt that it was undesirable for a man to say that he was in the Secret Service and to talk indiscreetly. I said that quite a number of rather queer people had drifted into the Service during the war, but that the habit of claiming association with the Secret Service was well known to us as a form of exhibitionism practiced by numbers of people who had never had any connection with the Service at all. They seemed to think that it enhanced their importance, particularly if they were talking to women. Morrison said he thought that this was very probably. but he would like me to make some enquiries. which I promised to do.

He then started talking about Czechoslovakia. I said that the damage was done the moment you had a Communist Prime Minister with power to appoint Ministers to control the Police and the armed forces; once that happened the pass was sold. Morrison entirely agreed.

28th February.

Jopson looked in to see me. His sister is still out of a job. He wanted to know whether there was anything against her. I said there was nothing as far as I knew, except that I gather that she rather fell out with the British Council in Turkey during the war; this, however, would not be held against her.

Dick Butler called and said he could not decide until after he had been to Germany whether his Counsel would be in favour of holding the whole or only part of the proceedings in camera.

1st March.

Graham Harrison rang up to ask whether we were satisfied with the position regarding the case to be presented to the Geneva Convention. I said that as the Foreign Office had climbed down, I thought the position was satisfactory, provided no fresh heresies were introduced in the re-drafting.

For Minutes of D.D.G. Meeting held to-day,  
see folder in D.D.G's sec's tray.

Dick, Alec and I had a talk with Bill Wright, who has returned from Palestine on leave. We were particularly concerned about our representation in Jerusalem, to which the Foreign Office have now agreed. There was at first some divergence of views as to whether

Morrison entirely  
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we could work both the Jews and the Arabs from Jerusalem. We finally agreed that while it would be valuable for Hackett-Pain to be official, hitched on to Jerusalem, it would not be necessary for him to have his office in the Consulate, at any rate until after May 15th, when we might decide that he could more profitably go to Amman. The whole position was so fluid and uncertain that it was impossible to reach any hard and fast decision at the moment; we should have to be guided by events. Wright seemed to think that it might be advisable to get the female staff away fairly soon as things had hotted up considerably during the last few weeks.

2nd March.

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I saw 'C' about a draft telegram to Hollis which he agreed.

On looking up our file afterwards I find that in July, 1935, Clifford Norton wrote to Harker stating that WILLIAMS had visited the "News Chronicle" and had asked for a of £100 a month in return for information which he was in a position to supply; the implication being that he was in some Government intelligence job. Norton gather that when some months previously the "News Chronicle" were investigating a story that all cables, etc., were inspected by a Government Department, this same man called and warned them against publication. When further



enquiries were made about WILLIAMS, owing to his association with the Fascist Leigh VAUGHAN-HENRY in 1941, it was stated by S.B. that he had good connections with the "News Chronicle", whose Editor, Mr. Barry, seemed to know more about him than he was prepared to tell. The copy which WILLIAMS supplied was said to be fairly good material of a confidential character. For several months WILLIAMS obtained supplementary petrol coupons, on the grounds that he was a free-lance special news agent, a position corresponding in journalism to the Intelligence Service of a Government. He said that about twice a week he had to go some distance out of London, viz St. Albans; the job was naturally a delicate and confidential one and he could not put full details on paper.

I went to see Bridges to-day, when I showed him Morton's letter on his interview with Busk. He read the letter very carefully and said: "This is quite the best letter that I have seen for a very long time - the writer must be a damned good fellow". I replied that he was. We then discussed the implications of the letter. Bridges took the view that obviously Morton was rendering extremely valuable services, which could not be performed by anyone else, or at any rate could be performed better by a Security Service liaison officer in touch with the local Police than by anyone else. When the moratorium comes to an end, he is anxious to argue the case on these lines, rather than on the lines that S.L.Os on foreign territory are a necessity for the preparation of the counter-intelligence brief in anticipation of our having to occupy the countries concerned. He thinks this should be a subsidiary argument, but not the main one. Bridges was anxious to know how things were going. I told him that although the Foreign Office had not felt able to assist us in the case of Morton, they had on the whole been reasonable in their assistance. I said that I was quite certain that if they were free to speak, the S.I.S. representatives on the ground would, generally speaking, agree that our presence alongside them had very positive advantages. It seemed too that it was only when these matters had to be discussed in London that Charters were brought out and difficulties raised.

3rd March.

Van Moyland dined with me at the Travellers.

4th March.

We considered to-day the draft statement to be given in the House by the P.M., on the subject of Communists in the Civil Service. No provision seems to have been made for a supplementary question about the Treasury official who is to review the cases. We discussed this with Drew and made certain minor amendments, but on the whole we thought the

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statement was extremely good. It is as follows:-

"In answers to questions on the subject of the transfer or dismissal of certain Government servants, I have said that there are certain duties of such secrecy that the State is not justified in employing on them anyone whose reliability is in doubt.

Experience, both in this country and elsewhere, has shown that membership of, and other forms of active association with, the Communist Party may involve the acceptance by the individual of a loyalty, which in certain circumstances can be inimical to the State. It is not suggested that in matters affecting the security of the State all those who adhere to the Communist Party would allow themselves thus to forget their primary loyalty to the State. But there is no way of distinguishing such people from those who, if opportunity offered, would be prepared to endanger the security of the State in the interests of another power. The Government has, therefore, reached the conclusion that the only prudent course to adopt is to ensure that no one who is known to be a member of the Communist Party, or to be associated with it in such a way as to raise legitimate doubts about his or her reliability, is employed on work, the secrecy of which is vital to the security of the State.

The same rule will govern the employment of those who are known to be actively associated with Fascist organisations.

I should emphasise that this action is being taken solely on security grounds. The State is not concerned with the political views, as such, of its servants, and as far as possible alternative employment on the wide range of non-secret Government work will be found for those who are deemed for this reason indicated to be unsuitable for secret work. It may, however, happen from time to time that it is impossible to find suitable employment elsewhere in the Civil Service for individuals with specialist qualifications and in such cases there may be no alternative to refusal of employment.

5th March.

At the J.I.C. to-day we discussed the innumerable papers about the prospects of war. They are almost all based on the assumption that war would not break out until 1957. There is only one paper on short-term intentions. There is, I think, a certain danger in thinking too far ahead.

I discussed with D.B., D.C. and C.2. our paper on the employment of aliens on defence work. We decided to shorten it as far as possible and to make certain amendments.

I had a meeting with J.I.B. (McEuen & Sword), Sichel (C.P.R.), S.I.S. representative of the J.S.T.I.C., Harry Allen, Dick, and Furnival-Jones. It was agreed after lengthy discussion: (1) that we would press the Home Office for early registration of Soviet citizens,

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(ii) that we would urge the Foreign Office to obtain full particulars, with photographs, before visas were granted. They should also ascertain what firms the man wanted to visit. Other data about contacts by Russians with firms was obtainable from Mr. Whitehouse of the Ministry of Supply, who had an arrangement with the F.B.I. and with Trade Associations, and also from the Board of Trade through the machinery of Export Licences Guarantee Department, and the department granting Export Licences. It was agreed that Mr. Whitehouse should be asked by J.I.B. to extend his arrangements to cover Russian satellite countries. Having acquired this data, it would be for J.I.B. and C.P.R. to call the attention of the Security Service to special cases, such as that of BORODIN. Other arrangements were made to ensure that before any approach was made to a factory, the central index, held by the Security Service, should be consulted. We also discussed the importance of their being inter-departmental machinery for reviewing proposals for the sale of war potential material. It was subsequently ascertained that a Working Party has been set up under the Chairmanship of Mr. R.R. Powell to cover sales to all countries.

#### 6th March.

Troubles always start on Saturday! Creasey, the Governor of the Gold Coast, is wiring frantically "for an officer of M.I.5., or preferably M.I.6" to come out and investigate his troubles with the negroes. He evidently suspects a Communist plot. Cohen of the Colonial Office asked me to go over and see him about this. I told him that the Governor could disabuse his mind about the Communist plot. While it was true that West African students were worked upon by the C.P., and in fact one, NKRUMAH, of the West African Convention had been in close association with the Colonial Department of the C.P. while here a short time ago, it was in our view out of the question that the recent disturbances, which had resulted in a number of natives being fired on by the Police, had ~~not~~ been planned in London, Moscow or Belgrade. From what Cohen said, the main trouble was due to inflated ideas resulting from service in the Armed Forces: this had given the natives an enhanced social status and they were not keen about going back to their former somewhat primitive existence. Added to this, there had been economic troubles. I told Cohen that I hoped he would make it plain to the Governor that by sending an M.I.5. officer to the Gold Coast, we could not immediately provide an answer to his troubles. I had the impression that the Governor thinks that immediately our officer arrives there he will set in motion a vast network of agents! What in fact he would do would be to study all the papers and discuss them with those concerned, as a result of which he might find that there were certain gaps in the Governor's information and that he was not properly forewarned of what was going to happen. He might well then find that the Special Branch of the Police was inadequate, or indeed that there was no Special Branch at all. I explained to Cohen that the D.S.O. could not perform any useful service unless he had the working tools of a good Police force and a good Immigration Service. It was precisely owing to the deficiencies of these services



in the West Indies that we had withdrawn our D.S.O. It was essential that the Police should do their own ground work, in order that they could inform us if there were any signs of outside influences or connections. I think Cohen appreciated our point of view, but he was obviously anxious to satisfy (a) his master, and (b) the Governor, by getting someone out to West Africa as soon as possible. I said that I would try and send Kellar, and it was agreed that while there he should visit the other Colonies and then report to us on the desirability or otherwise of setting up representation for the whole of West Africa.

### 8th March.

Hooton, formerly of the Gold Coast Police and during the war with an S.C.I. Unit in Italy, came to see me. He had been doing a law course here but had been summoned back by the Governor. He more or less gave me the low-down, subject to a reservation that he had not been in the country for the last six or eight months. Clearly the police were inadequate: they had no S.B. at all, and being ill-informed probably lost their heads. Hooton said that if the Commissioner wanted him to do so, he would be quite prepared to build up a S.B. This, I think, would be a good idea, since Hooton will certainly have a far better idea of how to tackle the job than anybody to be found in the Gold Coast. He has the legal knowledge and he has the war experience of running double-agents.

For Minutes of D.D.G. meeting held.  
to-day see folder in D.D.G. Sec's tray.

We had an Appointments Board meeting. Our staff is beginning to run down, notice having been given to not being able to make the grade. C. Division is particularly short of staff and may be losing Vickers if he goes to Ceylon. I asked Joe Spencer to have a look through the files for suitable candidates. It was also suggested that we might consult J.C.

### 9th March.

SANWITH, of the Kenya Police, came to see me. I had been told that he was a bit sceptical about our position in East Africa. He did not, in fact, mention Perfect's name during our conversation, except to say that he had a fine selection of cars! I found him by no means unfriendly, and I think I explained to him to his satisfaction why we were there. Unfortunately SANDWITH is not going back to S.B. work; he would, however, like to attend the course which we are proposing to give to East African police officers in mid-June. SANDWITH thought it would be quite a good idea to get them all here together.

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### 10th March.

I went over to see 'G' about further L.S.I.C. information on the Australian leakage case. I had had a telegram from Australia saying



that in the D.G.'s view the cover story would not carry any further information, and that he thought of suggesting to Chifley that he should set up a Working Party of four or five carefully selected people to whom the information should be given without disclosing the source. He felt that only in this way would the Australians be able to get to the bottom of the matter. My reaction to this was that if the information was given to the Working Party they were bound to know the source, the more so since Brigadier Chilton was a SIGINT man who had already been told by POLDEN, the S.I.S. SIGINT representative, last December that we had reliable information about leakages in Australia. Lastly I doubted whether it would ever be possible to get the necessary authority from the Americans. Without any prompting from me 'C' shared the same views. At that moment a call came through from the D.G. from Canberra and was transferred to me in 'C''s room. I told him in as guarded language as I could that while we fully understood all his difficulties, it would not be possible, owing to international complications, to go further than we had already. We were, however, considering the matter at the moment. I promised to ring the D.G. back later.

I went to see Cohen again at the Colonial Office about our sending a representative to the Gold Coast. He was extremely grateful that we had arranged for Kellar to go out, on the understanding that he would look into things locally, visit other Colonies, and then advise us about the desirability of setting up a D.S.O. in West Africa. More telegrams have meanwhile come in from the Governor, who is obviously in something of a panic.

I telephoned to the D.G. at 10 p.m. to confirm what I had said to him before.

I lunched with Hayter at the St. James's Club. I gave him an account of the origins of the XX Committee, with particular reference to the position of the Services Intelligence Branches. I said that originally they had only been co-opted in order that we might impress upon them the value of the work we were doing and the necessity for keeping our agents alive with "chicken food". It so happened that Montague of N.I.D. made valuable contributions, but this was in no sense due to his position in N.I.D. The only other *raison d'être* of Service Intelligence in matters of deception lay in the fact that they might from time to time assist their Service Attaches in putting over a story.

#### 11th March.

Quill brought his successor, Captain Baker-Cresswell, to see me.

I lunched with Anthony Blunt and Goronway Rees, when we had a discussion about penicillin. I told Rees that a point which caused anxiety was that if the Russians had the technical know-how of making a penicillin plant, it might advance them some two years in the production of B.W. agents. Nobody was satisfied that the plant itself could be used for this purpose, in fact the experts were quite emphatic that if it were, those concerned would come to a quick and sticky finish.



12th March.

I attended the J.I.C. The Foreign Secretary has had discussions with the Norwegian Defence Minister and will be seeing the Norwegian Foreign Minister in Paris over the weekend. The Norwegians are worried about rumours that they may be asked to sign a pact with Russia in the same way that Finland has been asked. The Norwegians have put forward a number of questions which are being answered by the Planners, about Russian intentions and capabilities. Meanwhile, the Norwegians are being advised to give a firm "no", since the Russians are not in a position to overthrow the Government through the local Communist Party. The Norwegians, therefore, have nothing to fear.

Hayter said that Warner had taken over the activities of Kirkpatrick in prosecuting the "cold war". The control of policy would be with the Foreign Secretary, but for the purposes of co-ordination of "black" propaganda and other operations, there would be a special committee, consisting of General Hollis, General Brooks (late of P.W.E.), Warner and Hayter.

It was stated later at the meeting that Bevin had sent rather a panicky telegram to Washington about the Norwegian situation, suggesting a pact under Article I of the Charter to prevent the Russians from having access to the Atlantic. This would be known as the Atlantic Security Pact.

I saw the P.M. to-day. I told him about the D.G.'s movements and I explained to him our difficulties in getting to the bottom of the leakage. The P.M. was glad to hear that Chifley had been co-operative. We then discussed the penetration of the Trades Unions. I gave him something of the facts and figures; I also told him approximately how things were in regard to C.P. penetration of the Civil Service. I asked him when he was going to make his statement. He said on Monday next. I said that I hoped it might be possible to refer to the body of ex-high-ranking Civil Servants, who would be arbitrating in these matters, since this might to some extent relieve the pressure upon our department. At the moment there was considerable misrepresentation by the Press and elsewhere about the powers we exercised and the manner in which we conducted our work. He promised to look into this matter.

15th March.

We had a meeting about the brief for the Geneva Convention on Ps of W. There is a difficulty in that it lays down that if a man carries a document showing that he is a member of the Forces, he cannot be treated as a spy. This clause is clearly intended to cover evaders. It does, however, provide a serious loophole in our schemes for the detention of suspects at O20. We are going to take the matter up with the War Office, who are not likely to be particularly sympathetic.



Kenneth Page telephoned to me to ask me if I had seen a question in the House about moral pressure on prisoners at Bad Nenndorf. Some M.P. is asking for assurances that orders will be given to discontinue this practice. The answer is to be that no such orders are now necessary. I told Page that there never had been any orders on this subject, since it was clearly impossible to run a camp like O20 without exercising moral pressure. It is extremely undesirable that the technique of moral pressure should have been allowed to be divulged in open Court. Page thinks that Campbell, the Prosecuting Counsel, is just out to make a name for himself by attacking Int. Div.

For Minutes of D.D.G. meeting held to-day  
see Folder in D.D.G Sec's tray.

Winnifrith has sent over draft instructions to Departments which are to be based on the statement about Communists in the Civil Service to be made by the P.M. to-day. We have suggested certain amendments.

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16th March.

I saw Hunter to-day. He seems happier about Storrier, although of course he knows nothing about our type of work. He thought Storrier would be loyal to the Department and discreet. His only doubts were whether he would have sufficient energy for the job.

Kenneth Strong telephoned to say that he was not happy about his own security and would like to send his Security Officer over to see us.

Colonel Phillips rang to ask what he was to do about the P.M's statement. I told him he would be receiving instructions from the Treasury in two or three days time.

Harry Allen is worried about the shortage of staff in C. Division. I raised the question with him of the type of officer required for C. Division work. The D.G's policy was to recruit young people and put them in at the bottom, but such people would clearly be of no value in C. Division, which required maturity and some general knowledge of intelligence work and the work of this office. I thought we should have to face it that the type of officer we were trying to get in B. Division would not work happily in C. Division, except perhaps in its higher ranks. Harry was inclined to agree with this and thought we might get in some short-term ex-Service people who would not impede promotion and whose contract could be terminated whenever it was thought desirable.

I lunched with Corin. He had recently seen Roscher Lund, who was on his way to Palestine on a special mission for the Security Council of U.N.O. He told Corin that he would shortly



be taking up the post of Head of the Norwegian Intelligence Service, and that he was particularly anxious that his old connection with ourselves should be revived. I understood from Corin that there was some kind of semi-official link who was resident in this country, but that in fact there was a very small flow of information.

It would be interesting to know if this is borne out by the facts. Have we had anything from Norway of any importance through our own channel, about (a) the R.I.S., (h) espionage cases, and (c) Communist activities?

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Simkins has seen Winniffrith about the case of John DOWNIE, an applicant for an established post in the Civil Service, who is designated for the Cabinet Office. Both Herbert and Stewart Hampshire, who know him very well, consider him to be an intellectual Marxist and quite probably a member of the Party. So strongly do they feel about this that Herbert approached Dick. Observation on DOWNIE for a period of two months disclosed no Communist activity. We felt it our duty to inform Winniffrith about this. He took the view that the matter should be referred to Norman Brock. Graham Mitchell is nervous about doing DOWNIE an injustice. DOWNIE has just taken a brilliant first at Oxford. This is an extremely difficult case: there is no real positive evidence to bring it under the Prime Minister's ruling. On the other hand, it does not seem a good idea that he should go into the Cabinet Office.

18th March.

Burt came to ask me about the case of Mrs. ARNHEIM. He had been approached by her husband, COOKE, Secretary to the Stock Exchange, who, I gathered renders Burt certain services. His wife wants to recover certain property of her former husband, who committed suicide or was executed by the French for espionage. I told Burt that we knew next to nothing about ARNHEIM, since at the time we could get nothing out of the French. I doubted, moreover, whether there would be anybody in France who could say what had become of his property. Burt said he would speak to COOKE accordingly.

We then discussed the KOLBY case. He said that FREDERICK was, of course, the Minister (?) of the Jewish Committee, who was behind the whole scheme. He also told me that Gerald HAMILTON was his agent and would be going to the U.S. He would let us have a full report in due course. Lastly, Burt mentioned the fact that the Head of the South African S.B., <sup>Dr. Plooy</sup> ~~BURTON~~, was coming over here before long; he would bring him along to see me.



I lunched with Le Man. I gave him a copy of our note for 1947 on General Trends in Communism and Fascism, which he seemed to appreciate. I said that I was in considerable difficulty about our liaison.

While there was logic in this, it was not particularly satisfactory from our point of view as we preferred to talk direct to our opposite numbers. Le Man said that Fourcaud had just been over and that he had made a proposal to him that something in the nature of a War Room should be set up, either here or in Paris. He, Le Man, thought preferably in London for security reasons. He had in mind that both D.E.C. and S.T. should represent ed on the French side, and M.I.6. and ourselves on the British side. I said that I should like to think this over and that I would let him know in due course.

Le Man then told me that D.E.C. had just been asked by the Minister of Defence to take over security for the three Service Departments. This meant not only security in the strict sense of the term, but also counter-espionage - in fact everything that comprised the work of the Security Service here.

I gave a talk to the Registry, more or less on the lines of my I.D.C. lecture. I also gave a short talk on Russian policy.

Vickery came to see me about BAILLIE, who is in trouble with D.I.B. They are taking exception to him as an ex-member of the Bureau. BAILLIE and Vickery think that the trouble is due to an approach made by BAILLIE to a Sikh officer, from whom he sought information about the organisation behind the murder of Gandhi. The Indian Government have made it clear that in their request for BAILLIE's withdrawal they in no way take exception to the appointment of U'ren. This is satisfactory from our point of view.

19th March.

I asked Harry and Mitchell to go over and see Winnifrith about the various questions on the subject of the dismissal of Civil Servants. There seemed to me the danger that we might become involved in having to table our evidence either to the accused or to some body on the lines of the Birkett Committee.

With the agreement of the Chiefs of Staff, General Hollis has put forward a paper on future strategy to the Defence Minister, in which it is stated that if the U.S.A. underwrite the Benelux agreement, a definite datum line should be fixed, (a) for the defence of Europe as far to the east as possible, and (b) for the defence of the Middle East, and that consideration should then be given to our strategical dispositions in the event of war having broke out, (i) between now and 1950, (ii) between 1950 and 1956, and (iii) when the Russians are equipped with the atomic bomb and bacteriological bombs. Firstly, the defence resources of the Allies are to be assessed. Secondly, the timing is to be agreed and the likely scale of attack and forces needed to meet it are to be estimated. Thirdly, the defence contribution of the individual Allies has to be decided upon.

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The Foreign Secretary is to make a general proposal about security when the Benelux Treaty is signed. This, it is thought, will pave the way to subsequent talks on a working level, which will be arranged or diplomatic channels.

D.N.I. felt that in putting forward papers about the possibility of war, etc., some attempt should be made to assess the relative efficiency of Russian and British forces. It was felt that this could only be done in relation to particular operations and that a general ratio would be apt to be misleading.

An offensive by the Greek rebels is expected before April 1st. It is thought that they intend to capture a large town somewhere near the frontier and, if successful, use this as a base. Their operations will probably be combined with the bombing of Salonica. The M.A. at Athens is seriously worried about the inefficiency of the Greek forces and any preparations to deal with the situation in the Spring.

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We had an Appointments Board meeting to-day. C. Division are desperately short of staff. We agreed that for that kind of work it was essential to have short-term people of mature age. I had one name from Vickery, who had promised to give us others. Meanwhile, Spencer will see if we have any suitable candidates between the ages of 40 or 50, or even over 50. My feeling is that you cannot put young officers into C. Division until they have done at least two years in B. Division, and that if you get officers of the standard required for B. Division work they will never be content to go back to the routine job of C. Division.

I saw Sir Edward Bridges today. He was to see the Prime Minister at 6.30 on the question of Communists and Fascists in the Civil Service.

I told him that it was of paramount importance to us that none of our information should be disclosed to the Civil Servant concerned or used as a basis for interrogation. We would prefer that the individual should be told simply that he came under the Prime Minister's ruling as regards Communism or Fascism as the case might be.

Bridges said he thought that it would be necessary to tell the man that he was accused of being a member of the Party, or associated with the Party. I explained to Bridges the delicacy of our sources, and said that if there was any question of an independent tribunal, on the lines of the Birkett Committee, they would inevitably be "blown". We did supply certain details to the establishment branch of Ministries in which our sources were suitably disguised. This disguise, however, would not stand scrutiny by the individual concerned. I told Bridges that during the war the proceedings before the Birkett Committee had been disastrous, and that the identities of our agents had been disclosed. He said that he fully appreciated all the points that I had made, and that he would do his best to maintain a firm front.



I then discussed the question of the Treasury arbitrator. Bridges said that he had Findlater Stewart in mind, since not only was he suitable but he was a person grata with the Prime Minister. He said he would probably appoint one other Civil Servant as well. I said that we should not have the slightest objection to disclosing the detailed facts of a case to these officers. I asked whether the appointment of these officers was going to be made public. Bridges said that he was anxious that this should not be done. He thought that if their existence was known it would be impossible to prevent Civil Servants from seeking an interview. He wanted to avoid this at all costs. I said that presumably a Civil Servant had the right of appeal to his Minister, and I hoped that nothing would be said by Ministers on the basis of the information which we supplied to their Establishment Officers. Bridges thought this would have to be watched.

The Czech case is developing very nicely. There are now four characters involved, the latest addition is a man called LUSTIG who may be of some importance.

20th March 1948

I lunched with van Moyland. I discussed with him Benelux security and suggested to him that there might be advantage in having talks before any international meetings. There are two points for consideration. Firstly, the security of documents during the conference and secondly their security after the conference when members got home and started taking action on the papers. He said he would certainly take this up.

22nd March

I saw Col. Muller, the Commissioner of Police designate to Tanganyika. He was formerly Commissioner of Police in Trinidad, where he had been for some nine years. While he obviously had a respect for Sir John Shaw, he thought that he had made a certain number of mistakes. Contrary to Muller's advice he had placed confidence in his Colonial Secretary, a half-caste who obviously had other interests outside his own job, and secondly he had got rid of a number of people from whom he might have got valuable advice. He apparently took the line that everybody had been in Trinidad too long. He has since found it necessary to get rid of his Colonial Secretary. Meanwhile until new people got experience Sir John Shaw was running a kind of one man show. I told Muller about our work, of which, of course, he knew a certain amount already. While there were probably no movements in Tanganyika subject to outside influences we liked to feel that the ground was covered and that the moment anything started someone would get to hear about it. Muller seems a good chap.

I attended a meeting with Bridges called by him of the P.U.S.s. I managed to get certain points in the procedure laid down, which, if finally approved by the P.M. should minimise the risks as far as possible. Wherever a prima facie case exists, the individual, on the authority of the Minister, will simply be told that he comes within



the P.M.'s ruling in respect of Communism or Fascism, as the case may be. He will, however, be informed that he has the right to appeal to an Advisory Board of three high-ranking ex-Civil Servants, of whom I think Sir Findlater Stewart will be one. If the individual decides to appeal, he must submit his case in writing to the Advisory Board within fourteen days and will subsequently be able to appear in person if he so desires. If the Board decide against him, he will still have the right to see his Minister - which cannot in fact be refused. At no stage will he be given our evidence or be cross-examined on it. He could, of course, always be interrogated on his own statement.

For minutes of D.D.G. meeting see folder in D.D.G.'s Secretary's tray.

Winnifrith rang up and came round with a draft for the P.M.'s statement. We none of us like it as it created the impression that he had been bungling for years and that the Labour Government were now going to see our activities were supervised. We suggested a variety of alterations which rendered the statement acceptable from our point of view. It was agreed that the suspect should only be told that he came within the P.M.'s ruling with no details; that he could then make a statement in writing and then have the right to go before the Board. It was specifically stated that he should not be accompanied.

#### 23rd March

I saw Sir Norman Brook about the case of Jack DOWNIE. I showed him Minute 12 in the file and also the entry at 10a (PF.72,994). I said that on the evidence available DOWNIE was not within the P.M.'s ruling; at the same time, we did not feel that we should signal him N.R.A. without first referring to himself. As regards 10a, I pointed out that there had been nothing in the correspondence examined to indicate that DOWNIE was a Communist, and that if there had been anything in the suggestion this might well have been indicated by the kind of jargon which Communists use and with which we are so familiar.

Brook said that the Economic Section, to which DOWNIE evidently wanted to be posted, was the same section in which BODDINGTON had been working. It received a great deal of Top Secret material on our economic policy both at home and abroad, and it would be impossible to segregate anyone within that department. He viewed the possibility of DOWNIE going there with considerable apprehension, but before making up his mind he would like to consult with Hall of Trinity College, Oxford, who has been doing a good deal of the recruiting. A large number of officers in this section are on temporary contracts up to five years, the idea being that the department should continually be getting fresh ideas from the outside. Brook's action will, I think, to some extent depend upon how far Hall has already gone in promising a job to DOWNIE in this department. Brook agreed that it would be wrong to exclude DOWNIE from the Civil Service altogether. He will let me know the result of his enquiries as soon as possible. Meanwhile, the reply to the vetting enquiry should be held up.



24th March

I went over to see Winnifrith in order to check his revised draft. I suggested one or two alterations which were accepted.

Gainsford, late of the Indian Police, came to see me on the recommendation of George Jenkin. He seemed an extremely nice person and clearly had very considerable experience. He was quite prepared to take on a vetting job on a short-term basis. I said that I should have to get authority from the D.G. as he had laid down a policy of taking on younger men. I would let him know the result as soon as possible.

I saw Morrison today about the case of Christopher Beckett WILLIAMS. I told him that as far as I could ascertain WILLIAMS had never had any connection with any of the Intelligence Services. We had a record of him, however, since although there was no evidence that he himself was a Communist he had associated in the early days of the war with Leigh Vaughan Henry who, Morrison would doubtless remember as an 18B internee case. His record showed that he had done a certain amount of journalistic work, and that he was in the habit of posing as an Intelligence Officer.

Morrison subsequently gave me an opening by saying: "I hope you chaps will be very careful in all these Civil Servant cases". I said that I should like him to know that all these cases are handled with scrupulous care and impartiality, and that so far from being a set of irresponsible autocrats in these matters, it was our Department which was exercising a restraining hand not only on the Working Party set up by the Cabinet, but also on all Government Departments. It seemed to me that in the Press, Parliament and in the public mind generally a totally false impression was being allowed to grow up about the work of our Department. This could not be otherwise than extremely damaging to our work in the future, particularly to the co-operation we get from the Police, Government Departments and various administrations overseas. It seemed to me that there was a serious risk of our being used as a whipping boy intoday's debate. Morrison said that during the war he had come across one or two cases where he had had to use a restraining influence. I asked him when this occurred. He said that it was in 1940. I replied that almost anything might have happened in 1940 when we were undergoing an enormous expansion with a totally inexperienced staff, but I assured him that things were very different now. He said he was very glad to hear it; that he thought it extremely important that the morale of our Department should not be undermined by derogatory statements, and that he would write a note to the Prime Minister making certain suggestions for the debate. This he did there and then. One of the points he made was that the Prime Minister might state that the Security Authorities welcomed the suggestion of a board of Assessors.

25th March

I asked Winnifrith what had happened about the debate on the



P.M.'s statement. He said that Bridges had taken him the two statements but that he had decided to accept neither. He had made some notes of his own as he did not think it proper that he should read a statement when winding up the Debate. Bridges had rammed home our points as far as he was able and had told the P.M. that I was available to enlarge upon them if he required me. Later I rang up Graham-Harrison, the P.M.'s Private Secretary. He said that the P.M. had got no statement but that he had seen some of the notes, and he thought that the P.M. was going to say something about our position in the matter. He did not think it would be of any use my seeking a personal interview at this stage, since the P.M. would almost certainly temper his speech to the general tone of the House.

I listened to the account of the speech on the B.B.C. at 6.00 p.m. It seemed to me to be singularly unsatisfactory, and as I rather anticipated, not only have we been used as the whipping boys, but we are now committed to disclosure to the suspect of the evidence on which he is being dismissed or transferred. The whole tone of the speech gives the impression that appalling stupidities have been committed by the security authorities in the past, but that the Labour Government are now going to see that we are properly supervised.

### 31st March

Admiral Woodhouse, Commander in Chief, East Indies, whose area seems to cover parts of SIFE and parts of SIME, came to see me. His H.Q. will be in Colombo. I told him about the nature of our work and the general set-up of SIFE and SIME. I told him too that with the approval of the Prime Minister in Ceylon, we should be having a representative there attached to the High Commissioner's staff. We would instruct this officer to get into touch with the Admiral. I liked Admiral Woodhouse, who was friendly.

Hayter telephoned to ask whether we could say anything about Dominions Security as the Foreign Secretary was worried as he had reached the point in his negotiations in Europe where he wanted to bring in the Dominions. I told Hayter that the D.G. would not be back until the end of the month as he had just had an operation for an appendicitis in Kuala Lumpur. Hollis I hoped will be back earlier, but neither of them would be able to give a very reassuring account.

As we were precluded from passing over full details of the L.S.I.C. information, there was little chance of the Australians discovering the culprits. The most that we should be able to say would be that the Australians would be looking into the whole of their security and tightening things up as far as they could. This, however, would provide no sure guarantee in regard to other leakages, since, at least one of the Russian agents seemed to be clearly highly placed: he might even be the P.A. to the Minister of External Affairs.

Kenneth Younger came over and had a talk with Dick and myself. We discussed a number of our difficulties in regard to Communists in



the Civil Service, with which he sympathised. He thought that there might be something in trying to get a fairly high ranking Civil Servant in Bridges Department to learn something more about our work. As things were there was no permanent Government official of any standing who had any knowledge of the type of person who work here, or of the work they do. Kenneth thought that an arrangement of this kind would improve our relations with Government Departments and with the public. There is, I think, something in this. On the other hand, we do not wish to get too tied up with the Civil Service hierarchy. Otherwise we shall never be able to move hand or foot.

I had a meeting with D.C. and D.B. on a paper which is coming before the J.I.C. tomorrow on the security aspect of staff talks with the Benelux countries. It is clear that we want a good deal more information about when and whether and how these talks are going to take place before we can really get down to brass tacks.

1st April

Mr. Bligh of the Treasury, who is to be Secretary of the Board of Assessors, came to see me. The assessors are to be Gardiner, late of the Post Office, Holmes, late of the Board of Education, and Leggett, late of the Ministry of Labour. Gardiner will be in the Chair. This is a good thing as he has full knowledge of H.O.W.s and I gather from Bligh that he is anxious to see me personally. He probably has on his mind. I suggested to Bligh that we might provide a stenographer for the proceedings of the Board when the suspect was present. It would probably be preferable that records of discussions between members of the Board should not be recorded. I thought, too, that when the suspect was told about the evidence against him he should be requested to put in his refutation in writing; This could then be considered by us and we would then appear before the Board to give them our observations and answer any questions on the evidence. They could then see the suspect but should only in exceptional cases, and by agreement with ourselves, ask any questions on our evidence. They could cross-examine on the suspect's statement as long as they liked. Bligh did not say much but seemed a nice fellow.

"C" asked me about security in the Dominions. I told him that I had already had this enquiry from Hater and that we did not feel that we should be able to give a very reassuring statement on the position.

Dick Butler came to in to say that as a result of Langham having been declared "not guilty" there was some possibility that the case of STEPHENS might be withdrawn. On the whole his advice to STEPHENS in such an eventuality would be to accept the position and not press for action against the military authorities or for a trial. Butler would, however, like to know as soon as possible what STEPHENS' prospects would be if the case against him were withdrawn, or if he got an acquittal. I said that it was difficult to say and that, in fact, I could give no assurance until I had seen the D.G. Meanwhile,

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we would think over the position amongst ourselves.

I saw Maxwell today. I got his approval to inform an Italian and a Rumanian diplomat that if they got into difficulties they could remain here. I also handed him a list of the breakdown of our warrants.

We then discussed last Thursday's debate and I told Maxwell exactly what I thought about it all. He was very sympathetic and said that Governments would always do that kind of thing. He took a serious view of the possibility of our having to disclose information which might lead back to the source. He agreed with me that in certain instances it would be impossible to put the information forward at all. He thought that we should be justified in telling the Assessors about our sources of information

2nd April

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Professor Brunt is to take over the J.S.T.I.C. and is to be a full member of the J.I.C. He will retain his present professorship and also his position in the Royal Society.

Hilton, our Military Attache in Moscow is leaving in May and his post will be left vacant for the time being. Meanwhile the Russians have asked for two Assistant Military Attaches in London



on replacement, but they refuse to say whom they are to replace. Meanwhile, they are holding up the appointment of our Assistant Air Attache in Moscow. Bevin does not apparently wish to do battle on small matters. Meanwhile N.I.D. are suggesting the refusal of the replacement of a Russian Assistant Naval Attache owing to the presence here of another who could do the work. Hayter expressed anxiety about the League for Democracy which is doing propaganda here on behalf of the Greek guerillas. He asked whether we could discover where its funds come from.

Viv's deputy came to see me about instructions to S.I.S. representatives abroad to ascertain what security department will be in charge of Benelux security and to suggest that a suitable representative should come over here for discussions. I said that it was important to get the right person on the right level and that there were two problems (i) to safeguard the security of the conference and (ii) to arrive at some idea of the distribution of documents when the delegates got home and the security of the departments to which these documents would be sent.

Baskervyle Glegg and Simkins came to see me about the case of -- who is dealing with B.W. in the Ministry of Supply. record goes up to May 1943 when he was clearly active. He was also using a party alias and had instructions to continue under cover; since then we have heard nothing further. Could this case go forward? It is clearly a matter for the Ministry of Supply. Our advice to them, however, should be that the case as it stands is a weak one and that if it is turned down by the Board they will have in their midst with no prospect of moving him.

3rd April.

I saw Sir Thomas Gardiner, Chairman of the Board of Assessors, and the Secretary, Mr. Bligh today. See note in envelope attached.

I went to see Hayter. He wanted me to meet Denning, head of the Far Eastern Dept., of the Foreign Office, who in the instructions of the P.M. and Bevin is to go to Australia to discuss Far Eastern policy. These discussions will involve not only ourselves, but all the Dominions and the U.S.A.

5th April.

I telephoned to Winnifrith to say that I was worried about the possibility that Government Departments might start dismissing Civil Servants before we had an opportunity of reviewing the case. The Ministry of Supply were already pressing us on one case and said that having received instructions from the Treasury they proposed to go ahead. We had not seen these instructions. Winnifrith said that he thought that Ministries were clear on this point. I explained

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to him, however, that the statements which Establishment Officers had could not be presented to the suspect without considerable risk to the sources. The P.M. had said on the one hand that we would give chapter and verse and on the other hand that sources could not be disclosed. In some cases the giving of chapter and verse would automatically disclose sources. This was evidently a point which Winnifrith had not grasped, though why I cannot imagine as it had previously been discussed ad nauseam. He agreed to issue instruction immediately.

Capt. Evans, Chief of the Intelligence Staff, British Pacific Fleet, came to call on me. I explained to him our functions and also those of SIFE with which organisation he would find himself in close contact in Singapore. He is visiting other sections here.

Bourne came to see me. He had just returned from Delhi. Everything there seems thoroughly satisfactory, U'ren being more than acceptable to D.I.B. and also to Symon. Bourne agrees with us that the less U'ren sees of Patel the better, at any rate until his position is firmly established.

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Bourne is leaving for Canada and I have undertaken to write to Wood to see if there is any way in which he can help the R.C.M.P.

For minutes of D.D.G. meeting see folder in D.D.G. Secretary's tray.

Briscoe came to see me about Hedger's organisation. There is a vacancy for another chemist owing to the resignation of Tugh. This has existed for some time and Hedger is heavily overworked. He thinks that if we had offered Tugh a better salary he might have stayed. Work in Hedger's department is increasing and not only should a replacement for Tugh be found, but an additional assistant may be necessary. The question arises as to whether we should pay or get S.I.S. to make a contribution. Personally I should prefer to keep things in our own hands. I told Briscoe to put me up a reasoned note and pointed out that it might be advisable to proceed in two stages. The first thing was to get a successor for Tugh and possibly to pay him a rather better salary.

7th April 1948

Mann came to see me. He said that the C.C. Glasgow was quite happy about my reply on the question of the Unity Theatre. I took



the opportunity of explaining to Mann the procedure with regard to Civil Servants so that he could have this as a general background when discussing it with C.C.s in Scotland.

Burgess, the Establishments Officer of the Cabinet Offices, came to see me. I explained to him our difficulties with regard to Civil Servants and the somewhat conflicting passages in the P.M.'s statement. He said that Norman Brook had decided that the Cabinet Offices must be regarded as a whole as a secret department. He was a little uneasy and would be glad if we could revert some 90 individuals. I explained that we were very hard pressed at the moment, but if he would let me have the names we would certainly do this as soon as we were able.

Van Hoyland came to see me. He had heard about the Benelux security talks and had spoken to his Minister. He is preparing a note on the subject which will go through the Dutch Foreign Affairs Dept., to the Prime Minister.

#### 8th April

I attended the J.I.C.

A wire has come in from Roger saying that he is proposing to leave Canberra for Singapore on 10th April and to return here on the 19th. I have sent him a wire telling him not to move until he gets my following telegram which permits him to disclose certain facts derived from the L.S.I.C. information to Longfield Lloyd on a personal basis. I have got "C"'s approval for this not without some difficulty. The risks are (i) that the source may be disclosed (ii) that the information may be used at some future date either in interrogating the subject or in open court (iii) that Lloyd will tell Evatt who will want to know why the facts were not disclosed at the outset. "C" is prepared to accept the risk of (i) and (iii) provided we can get a positive assurance on (ii). Hollis will say that he has just received the information from London and that he does not know the source. As regards (i) "C" is prepared to accept the risk and as regards (iii) the reply will be that owing to Australian insecurity we had to proceed with caution.

#### 9th April

At the J.I.C. today we discussed L.C.S. deception proposals. There was one suggestion that we should intimate to the Russians that we intended to use the A.B. at the outset of any conflict. I said that this seemed to me out of tune with other J.I.C. papers which made it clear that as a matter of policy no decision had been reached. If we intimated to the Russians that we were going to initiate the use of the A.B. we might be encouraging them to do the same, even though our bombs may be more numerous, better and bigger. I also said that the build up of an order of battle in the present circumstances was very different from building up an order of battle for the Germans during the last war when security was as tight as it could be made and this country was cleaned of enemy agents. This was far from the case now, since the whole of the Communist Party



was working against us.

The case of \_\_\_\_\_ was discussed. It was agreed that other departments, particularly N.I.D. and J.I.B., should submit their questionnaires through the J.S.T.I.C. who would assess priorities. So far neither of these departments had had any opportunity of talking to \_\_\_\_\_, apparently has made rather wild claims about S.O. activity in Russia. He will be encouraged to spin webs of this kind in order to keep him quiet, but nothing can be done as there is a Cabinet ruling against such activities in Russia.

Pendred said that the Americans in Germany were getting a large number of Czech defectors, both service and civilian personnel. A good many had served with our Air Force during the war. The Americans were anxious for some common policy and particularly wanted to know whether such defections should be encouraged. There were considerable doubts about this from the J.I.C. and Pendred was asked to put the matter up to the F.O. It emerged during the discussion that the R.A. are apparently recruiting some 3,000 Poles whom I imagine will be put into a special unit. They evidently have similar ideas about the Czechs. From the security point of view I am not sure that either of these projects is wise.

I attended a meeting with Winnifrith today. See note of meeting in envelope attached.

Viv, \_\_\_\_\_ came over to discuss Benelux security. Fock head of the Dutch Intelligence and P.A. to the Dutch P.M. is coming over here on Monday for preliminary talks. We agreed an agenda for the discussions. Biant is coming a few days later from Belgium for similar talks. As regards France it was suggested that an M.I.5. and M.I.6. representative should go to Paris to hold discussions with whatever individuals the French thought were concerned. Meanwhile Boursicot, head of the Surete, wants to come over here to discuss a general exchange of information about Communists. This is thought to be a move to undermine S.D.E.C. and is being stalled. I told Viv that in my view it would be the new security department to S.D.E.C. that would be concerned and that Le Man, our liaison officer here, would normally be the person to consult.

They are apprehensive about any War Room of Benelux countries in London, although they envisage that this may be forced upon them. While I realise that contribution to such a pool would have to be very tentative at the outset, it would enable us to get to grips with our opposite numbers.

I have, however, agreed that somebody should go on April 19th.

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## ON HIS MAJESTY'S SERVICE

Note of meeting with Mr. Winnifrith and  
Establishment Officers on 9.4.48



Diary

B.G.  
D.B.

I attended a meeting in Winnifrith's room on 9.4.48 at which Wilkinson, Cherry, Barclay and one other Establishment Officer were present.

The following points were agreed:

- (1) Subject to Ministerial confirmation, no terms of reference would be issued to the Board of Assessors. They would, of course, receive instructions on a confidential basis, but these would not be published. If any question arises in the House it will probably be said that the terms of reference were implicit in the Prime Minister's statement in the House of Commons.
- (ii) It was agreed that the Board should not have any responsibility for saying whether a suspect did or did not come within the Prime Minister's statement from the point of view of the nature of his employment.
- (iii) It was felt that there would have to be some compromise between Gardiner's point of view that nothing should be said by the Board to the Minister except guilty or non-proven or not guilty. The Board should certainly be given the right to refuse to say anything which would disclose sources, but to confine their comments to the evidence on which the prima facie case was based. It was felt that there would be no harm in the Chairman of the Board telling the Minister that he and his colleagues <sup>thought</sup> that points 1, 2 and 3 of the prima facie case had, in their opinion, been firmly established.
- (iv) It was agreed that the Board should make no recommendations whatever on how the case should be disposed of, i.e. by transfer or dismissal. That would be entirely a matter for the Minister.
- (v) It was agreed that Establishment Officers should not embark on any interrogation of the suspect, who will be communicated with in writing and be told to send in his statement in refutation of the charges.
- (vi) It was agreed that there was no objection to the Security Service antedating in a case of membership of the Party, nor in the Security Service making accusation of membership where the circumstantial evidence was strong.

The instructions to P.U.S.s from the Treasury are to be amended, as also the instructions to the Board. We are to receive copies in draft for recommendations.

After the meeting Winnifrith told me that the Canadian High Commissioner in London had asked for particulars of the procedure being adopted in the case of Communists and Fascists in the Civil Service, and had been given a copy of the draft instructions to P.U.S.s. I think, therefore that in communicating with Thistlethwaite he should also receive

/a copy



a copy for his personal information in case he is questioned about it by the Canadians. I told Winnifrith that we should be communicating with our representative in Washington since not only the Canadians were interested, but also the Americans. We did not, however, intend to transmit copies of documents to the Americans, but merely to acquaint our opposite numbers verbally with the facts on a confidential basis. The points that would interest them most would be the nature of the Board of Assessors and the production of evidence and sources.

I asked Winnifrith what was being done by C.R.O. and the Colonial Office to conform with the P.M.'s ruling. He said that in the case of C.R.O. the Advisory Board here would operate, i.e. if there were a Communist on the staff of the British High Commissioner in Australia, he would have the right to appeal to the Advisory Board in London. In the case of the Colonial Office there was Cabinet approval which more or less gave Colonial Governors the right to take what steps they pleased in whatever manner seemed most suitable to local conditions. In such cases the machinery of the Advisory Board here would not operate.

I think, therefore, that before issuing our note to D.S.O.s we ought to find out exactly what the Colonial Office are proposing to do.

D.D.G.  
12.4.48



12th April

I saw the Advisory Board today when I was asked a certain number of general questions about Communism. Gardiner said that he would like to have for the information of the Board as much information of a general kind as we could give them, particularly in regard to the Civil Service Clerical Association and satellite bodies of the Communist Party like the Association of Scientific Workers, the Society for Visiting Scientists etc., etc. This would be the more necessary since Gardiner did not think it advisable to have any stenographic minutes of the proceedings. He felt there was a danger in this since if such minutes existed it would be difficult to resist a request by the suspect to receive a copy. I obtained the Board's approval to antedate membership of the C.P., and also to make a positive allegation of Party membership where the circumstantial evidence seemed to warrant it. Holmes raised the question of Fascists and the general opinion of the Board was that they had been thrown in for political reasons, since at the moment at any rate, there were no grounds for thinking that they had a divided loyalty. They would, however, consider any such cases if they came up. I said that to the best of my recollection we had no cases at the moment; also mention was made of Trotskyists. They had international connections and had been concerned in preaching sedition among the armed forces. It would, however, be impossible to say that they owed allegiance to any particular foreign power. They probably considered that they owed no allegiance to anybody. The Board felt that they would not attempt to cross this bridge at the moment.

Horrocks has just returned. I am having a talk with him tomorrow.

Van Moyland rang me up. I felt bound to tell him that Fock and Einthoven were over here for the purpose of Behelux discussion and that we should be meeting them.

13th April

Horrocks came to see me and left with me papers on the discussions that have taken place in Singapore regarding M.S.S. There had been preliminary talks with Shone and also with Gimson and Gent. It seemed fairly clear that although Shone distrusted Dalley Gimson and Gent felt that M.S.S. as at present constituted should continue. There had also been discussions with the Commissioner of Police who appeared more or less dis-interested in what M.S.S. were doing and content to leave things as they are. Subsequently there was a general meeting with Gimson in the chair at which McKerran, the Colonial Secretary who had been mainly responsible for putting Dalley in as head of M.S.S., Dalley, the D.G., Winterborn and McDonald were present.

The meeting started on a somewhat acrimonious note. The D.G. stated that he had heard from his D.S.O. that Dalley had said that the D.G. was only a policeman from Glasgow without any security experience. He regarded this remark as grossly offensive,



particularly as it was made to one of his subordinates and asked for an explanation from Dalley. Dalley apologised and deeply regretted the incident. He said that he was only repeating what someone in England had told him. He realised that he should never have done that and hoped that Sir Percy would accept his apology. The D.G. accepted the apology and regarded the incident as closed. He hoped that Dalley would not harbour any resentment against D.S.O. Leighton who had reported the incident as he was only doing his duty. Gimson said that in the circumstances no course was open to Col. Dalley but to apologise and he much regretted the incident.

Winterborn was then asked to give his views as to why co-operation between SIFE and MSS was lacking. Winterborn cited a number of incidents of a fairly convincing kind, qualifying his remarks that he did not know whether some of the incidents might not have been due to administrative difficulties. He drew attention to inaccuracies in many of Dalley's reports which could have been corrected if they had been submitted to SIFE. Dalley's only excuse was that pressure of work and shortage of time did not permit of full consultations if he was to get his reports published and ready in time. He thought there were bound to be inaccuracies occasionally as he mainly sat down and dictated his weekly reports from information readily available because he felt it was desirable for the Government to have weekly information as punctually as possible. Nobody made it, but the obvious answer seemed to be that it was better that the Government should have no information than inaccurate information. There was then an accusation that McDonald stoutly denied, that he, McDonald, had said to the wife of one of Dalley's subordinates, that he would get Dalley out of the country within a month. The meeting ended with mutual professions of co-operation in the future and a suggestion that there should be a monthly meeting with Gimson in the chair between Dalley and Winterborn. This seems to me in some ways to have down-graded SIFE since proper contact is with the Governor-General through the J.I.C. There was a complaint that Dalley did not send enough to the Governors. He had only seen Gimson once and Gent twice or three times. I am afraid that nothing can result from all this except a general stink.

Horrocks, in talking to me, gave me to understand that everything was going splendidly until the D.G. got an appendicitis as Gent who had not been present at the other meeting was rather taking to the idea of M.S.S. being divided up into two Special Branches. It may be, therefore that in subsequent conversation the D.G. may be able to make some progress, but I rather doubt it. Winterborn I gather is rather in despair. K.L. has been closed down with Gent's agreement. This, I think, is sound as there was really nothing for D.S.O. K.L. to do except to extract a certain amount of additional information from the local branch of M.S.S.

I discussed with Horrocks various staff matters. The D.G. had suggested that we might recruit some ex-police officers for C. Division. I told Horrocks that I had seen Gainsford from the Indian Police who seemed to be entirely suitable because he had had the right sort of experience in assessing political information.



Horrocks entirely agreed and would therefore be writing to Gainsford. Magan is to clear up the position in Malta. I told Horrocks that I thought he ought to inform that he would be visiting him and take with him a letter from ourselves which he would present to on arrival, stating that he was authorised by the D.G. to make an enquiry. He should then show Harrow's letter and ask him for his observations. I also discussed the question of female staff which is now 20 under strength. I thought some real drive in recruiting was necessary, particularly if we have to send more people to West Africa. I mentioned the possibility of sending a competent person to train a staff for the S.B. of the Gold Coast police. Horrock thought possibly Lawson might do this if Bill Magan could spare him. I said I thought it was important that the Registry should be laid down on our lines. I was by no means certain that the Palestine Police system was the right one. I mentioned too that we may have to do a certain amount of vetting for personnel of ground nuts since if we were to establish an office in the Gold Coast it was desirable to obviate as much trouble as we could.

I had lunch with Sandwith. He told me that he was not going back to S.B., but that he would like to attend the course in order that he could pass on the information to his successor.

Halford wants me to go to a discussion with Orme Sargent, Denning and Hayer on Australian security. I told him I did not think I could tell Denning much more than what I had told him already. He could if he liked see the D.G. in Singapore or get up to date information from the British High Commissioner in Canberra who was thoroughly in the picture.

I dined with Van Moyland. I told him that Col. Rock and Col. Eindhoven were over here on the instructions of the Dutch P.M., but that it was not altogether clear whether they represented a centralised Intelligence Service or not. Van Moyland said that he too was not clear on this point, but that he hoped to know more when de Jaage, Legal Advisor to the Embassy, returned from The Hague in a few days time. I said that we had confined ourselves to defining the problem to these gentlemen and that they had gone away to consider the matter. I then asked him who exactly was responsible for producing information about the activities of the C.P. as a whole in Holland, the extent of their penetration of the Trade Unions or the Civil Service. He had no hesitation in saying that the primary responsibility would be that of the Department of Justice and that the report would be prepared by the political research section of the Reichspolitsie. He said that the Reichspolitsie were responsible for major crime throughout Holland and also for the study of political movements. They work in close co-operation with the Baupolitsie who also had responsibilities in the big towns. In cases of serious crime the Reichspolitsie who had all the equipment such as laboratories finger-printing etc., such as provided by Scotland Yard took charge. He mentioned a case where somebody in the Naval Attache's Office here was believed to have Communist tendencies. The Minister had

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instituted enquiries and the Dutch F.O. had in error passed the request over to Eindhoven. In reply they had had four lines about the person's antecedents. Van Moyland had then made enquiries through the Department of Justice who, in co-operation with the Baupolitsie, produced a long report giving all the information that was required. I asked him where Eindhoven would have got his four lines. He said that he would not know, but it might be that he had an agent in the locality or possibly that he had gone to the Baupolitsie who had not been very forthcoming.

14th April

At the J.I.C. today we discussed the question of placing under export license certain commodities which would be useful in the setting up of atomic plant. Welsh argued that it was extremely difficult to obtain any leads for intelligence of what Russia or other satellite powers might be doing in the atomic energy field, and that this might make his task even more difficult. The meeting did not seem to feel that this was a very valid argument. The probability was that the Russians and others would still apply for these commodities and that, in any case, there was little more to be got out of it than that they were expressing interest. The actual supply of a commodity would not lead to anybody getting it to instal a plant nor to any information about the particular line being followed. The Committee decided to support the recommendation that all these commodities should come under export license.

It was stated at the meeting that the Americans had decided to put all these commodities under export license and it was felt that we should conform.

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I saw the P.M. this evening. I told him about the D.G.'s illness and movements and that meanwhile Hollis had been carrying on. He had had meetings with Chifley, Evatt, Dedman the Minister of Defence, and Sir Frederick Sheddon. An enquiry in Sheddon's office indicated that the precautions there were reasonably good. The two documents had circulated together in Australia and normally reposed in Sheddon's safe. They had, however, been applied for by one MILNE the representative of External Affairs on the J.I.C.



and had been sent to Canberra. Milne is understood to have a Communist background and is now in Korea. It was not clear whether the leak took place in Sheddons Office or in External Affairs, but evidence rather pointed to the latter. I then told the P.M. he would be receiving a reply about security precautions from Chifley through the British High Commissioner in Canberra, and that although undertakings had been given to tighten things up I doubted whether they really amounted to very much. Chifley had said in the House of Commons that he would not employ measures similar to those in force here and does not intend to say that Communists were not to be employed in secret departments. We also knew unofficially that he would not even sanction the vetting of Civil Servants before they were employed on secret jobs. Evatt had given similar undertakings and had agreed with Chifley's decision that U.K. Top Secret documents should in future go to the Ministry of Defence. This also had little reality since there were many documents which Evatt would be receiving in External Affairs which were Top Secret and apart from this he had his representative on the J.I.C. in Melbourne where U.K. documents were discussed. I said that Hollis had asked for instruction about making any threats, implied or otherwise, that if security in Australia was not tightened up it would no longer be possible for us to communicate Top Secret documents. I had replied that he should make no threats, but confine himself to eliciting a statement of the precautions which the Australians proposed to put into force. It would then be for the P.M. here to decide on what action should be taken. I told him that, in my view, it was extremely unlikely that any satisfactory guarantee would be given against leakages in the future.

I then told Attlee there was a general atmosphere of depression in the Communist Party in view of recent happenings. They felt that they had lost the initiative. They feared that the party might be suppressed; they were destroying indexes, issuing warnings about talking on the telephone and taking other precautions. Attlee said that he had heard that in future there was to be little discussion in the Party, but that merely rigid obedience to orders. He did not think that the British Communists would take this very easily and that it might well lead to divisions in the Party. I said that I had no information on this point except that the Party seemed to be going on on a rather narrow sectarian basis and to be realising that the united front was rather blown on them.

I then referred to the P.M.'s ruling which presented us with a certain number of difficulties. It was not possible in every case to give chapter and verse as we did to the Minister as, to an informed person, this might well disclose the source. The statement to the Civil Servant had therefore to be modified accordingly. He seemed to accept this. I then pointed out that we were coming in for a good deal of abuse since there was clearly a general feeling we were a bunch of autocrats who had been pushing Civil Servants around without any authority. He said that he was afraid that this was inevitable, but he had done his best to convince Parliament and the public that this was not the case. He said 'I doubt whether you would ever get it out of peoples minds that your Department has over-riding powers



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and is not subject to Ministerial control". I told him that an immense amount of time was spent on the preparation of these cases and the information was often difficult to assess. I should like him to know that the work was done with the greatest possible care and that both on the Working Party and in our relations with Ministries we had always been a restraining influence. He accepted this. He then asked me about the Fascists. I told him that there was really little to report. Mosley was surrounded by entirely insignificant people, although he himself still had certain powers as an orator. He asked me about Pirot's visit. I said that I had had no report so far, but I thought that we would undoubtedly know what had happened. I then told him about the attempt by the Jews in America to provoke Mosley into some financial arrangement with American big business. The P.M. was quite amused at this.

Generally speaking he was his usual self, uncommunicative and unresponsive, but quite pleasant.

15th April

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The J.I.C. are to discuss urgently the effect of any proposals to hand back Italian colonies. The intention is, I think, to hold on to a trusteeship for Cyrenaica and Tripoli, but possibly to return Eritrea and Somaliland. The Commanders-in-Chief, Middle East, view any suggestion of returning the Italian colonies with grave concern as they feel that it will have a serious effect upon the Arab world and our defence plans generally in the Middle East. They point out, amongst other things, that if Italy ultimately goes Communist, it will give the Russians a strong foothold both in the eastern and western Mediterranean.

Horrocks came to see me. He is arranging to get hold of Gainsford and will be sending \_\_\_\_\_ to the Gold Coast, if she is willing to go, for a period of a month or six weeks to put the police Registry on its feet. A letter has been drafted to Magan authorising him to make enquiries in Malta. He has also been given a copy of Harrow's letter to me.

I discussed with Courtenay a letter we have had from Winterborn. He says that as a result of discussions between the D.G. and Gent he was informed that Gent had agreed to the abolition of the D.S.O. in K.L. It was understood that the High Commissioner had said that he would like to have fortnightly visits from the Head of SIFE, but that he was not particularly anxious to see Leightor who would now cover Malaya as DSO as well as Singapore. Winterborn had therefore seen Gent in company with Battersby on 6th April. He had been somewhat disconcerted when the High Commissioner had said that he had never agreed to the abolition of the DSO in K.L., but had merely discussed the possibility of it with the D.G. He agreed, however, to let matters stand, but asked who was to be his DSO. He was told that Leighton would be covering K.L. as well as Singapore. He asked whether Leighton had a good knowledge of Malay



and whether he knew any of the local Communists or political personalities. It was explained that Leighton had only arrived in August, but that with his new responsibilities he would be visiting Malaya. Gent again stressed the point that he would require his D.S.O. to be fully informed about affairs in Malaya, particularly on the frontier and to visit him frequently. Winterborn remarks that it is perhaps a general commentary on the consistency of Gents views that he at no time asked for Winterborn to come and see him and had asked for Leighton to see him, when he had given the D.G. exactly contrary views hardly a week previously. Gent then discussed Communist activities in Malaya. Winterborn took the opportunity of saying that our great lack was high grade intelligence from the C.P. Executive Headquarters. Gent remarked "I suppose SIFE has nothing. MSS has a considerable amount". Winterborn then told Gent that Dalley had, in fact, at a Planning Committee the previous day admitted that his sources on the internal workings of the M.C.P. were virtually non-existent, though he had several long term plans in view.

Winterborn is doubtful whether the new arrangement will be very satisfactory and thinks that we may before long be faced with a demand for the re-establishment of a DSO in K.L. On his return to Singapore Winterborn was told by Dalley that at a meeting with the D.G. the D.G. had agreed that it was desirable for Dalley to open up direct communications with all surrounding Special Branches on matters of security interest as "it was impossible to have too many lines". Winterborn is worried about this in relation to D.I.B. India. When he next sees Dalley he is going to say that he assumes that the latter will have no objection to Leighton running as many agents as he sees fit in Malaya provided Dalley is kept informed. This would be in conformity with Dalley's views that there cannot be too many lines.

16th April

At the J.I.C. today we discussed a note from the Foreign Office expressing anxiety by the Foreign Secretary about mental pressure being used during interrogation of detainees in the British Zone. This all arose from a stupid statement by Short at the Bad Nenndorf trials about the use of mental pressure even to the extent of telling a man that if he did not speak the truth his wife and child would be done away with. Page circulated a note of instructions to CSDIC camps which seemed perfectly in order. They did not, however, contain anything about the exercise of mental pressure. I drew the attention of the meeting to the discussions on the British brief for the Geneva Convention for the Treatment of Civilian Detainees in time of war. This brief had been agreed by the Prime Minister, the Foreign Secretary and the Home Secretary and only authorised our delegation to go as far as to say that we would "not practise violence, cruelty or threats thereof". It seemed, therefore, that we could not go beyond this unless we were forced to change our attitude to the Geneva Convention. I then read out to the meeting an extract of our minute to the Prime Minister on the whole question which he had approved. We stated "in this country physical violence was not



a weapon that an interrogator would ever wish or be permitted to use. Not only is the idea abhorrent to the national conscience but it is a wellknown fact that such methods as often as not defeat their own ends by providing information which is wholly unreliable. But it would be idle to pretend that an interrogating officer does not, in a large percentage of cases which he handles, put pressure - and often severe and continuous pressure - upon his subject before he can achieve or hope to achieve any result. The form of pressure will vary enormously with different cases, but basically it will, more often than not, be founded on fear - fear for himself, fear for someone else." I made it quite clear to the meeting that if mental pressure was to be prohibited there would be no point in running CSDECs at all. Neither would it be easy in any future war to obtain interrogators if they thought they were going to be liable to prosecution when the war was over. I had the feeling that this view was generally accepted by the meeting. "C" in particular said that he wished to endorse every word that I had said.

Malcolm McDonald visited the Committee on the question of whether the J.I.C. should report to the Chiefs of Staff as had been ruled by the Chiefs of Staff here or to the Defence Co-Ordination Committee which covered both civilian and military aspects. McDonald said that as priority No.1 for the J.I.C. was the growth of Communism in S.E. Asia and that other problems discussed by the J.I.C. had a strong civilian aspect, he thought it was preferable that the J.I.C. should report to the Defence Co-Ordination Committee on which, of course, all three Commanders in Chief sat, including himself. He felt that for the Chiefs of Staff alone to discuss Communism could not contribute very much. This ruling, however, did not mean that the large number of subjects which the J.I.C. discussed and which were purely service matters would not go direct to the Chiefs of Staff, and may never come to the Defence Committee at all. McDonald felt that although this might look a little untidy here circumstances in Singapore were very different. He would like an opportunity of explaining his point of view to the Chiefs of Staff.

I had a word with McDonald after the meeting. I told him the D.G. would be returning about the 24th and I was sure that he would like to have a talk with him before he went back. McDonald leaves on the 29th. He said he would be delighted to see the D.G. and also myself and Hollis.

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I attended a meeting at the Foreign Office with Orme Sargent, Denning and Hayter to whom I explained the whole position in Australia. Denning is now not leaving until the 22nd. I undertook to put him in touch with Hollis who arrived on the 20th. 1942 Sargent instructed Denning to raise the security issue with Evatt and Chifley. His present mission is only to discuss the possibility of discussions covering all the Dominions and the United States. Sargent thought that at the appropriate moment the Americans might perhaps be induced to express anxiety about Australian security.

I saw William Hayter after the meeting and told him about He was grateful for the information and said he would keep it under his hat.

There is considerable consternation in the C.P. over the P.M.'s ruling. All fields of Party activity are now to be surveyed with the object of improving security. The names of comrades in the Civil Service, the G.P.O. and Government factories are to be removed from Party records, registration forms are to be destroyed and list kept at Party headquarters at all levels destroyed wherever possible. Great care is to be taken when using the telephone and it is to be assumed that all lines to Party offices are tapped. Calls likely to reveal names and addresses of Party members must be made from outside telephones. In some places a strict review of membership is being carried out with the object of identifying informers. Meanwhile, there is a general atmosphere of depression and of feeling that the Party has for the time being lost the initiative. It is hoped that failure of the Marshall Plan and general financial stringency may give them their opportunity later on. The suspension of Ann GEORGE, P.A. to Tomlinson, the Minister of Education, has roused quite a stir. She has been told simply that she is a member of the Party. This is felt to be a contravention of the P.M.'s statement in which he said he would give chapter and verse. This has been asked for, but it is realised that if she is told that being a Party member and has access to Cabinet documents she comes within the P.M.'s ruling for transfer, the view is that the Party have not got a very good answer. Their next step will be to criticise the inadequacy of the new job to which she is transferred.

The Czech agent O.21 has been given an important questionnaire about some secret device being manufactured by Pye Radio.

17th April

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Bill Wright came in. He is going back to Palestine. He will stay on in Jerusalem accredited to our F.O. representative Dow. At least this is the idea. It seems doubtful, however, whether in the present circumstances it will be possible for Dow to establish himself at all. Jerusalem looks like being a battle ground. Neither is it clear to whom he will be accredited. We both agreed it would be impossible to have any communication by diplomatic bag until things settled down. At the moment diplomatic bags are far from sacred. The Hagana got hold of one the other day which contained certain of our correspondence. Meanwhile a conversation between Ffoulkes and SIME has been picked up. Hagana or the Irgun put out an illicit broadcast calling Mr. Ffoulkes and saying that his D-Day was likely to be 14th April. Bill Hagan is not unduly concerned about this. Ffoulkes will be moving shortly to Haifa. On the other hand, he does seem to be rather sticking his neck out by lunching with prominent Arabs in Jerusalem.

#### 19th April

A D. Notice is to be issued on the question of atomic research due to an announcement that is shortly to be made that we intend to manufacture atomic bombs in this country.

I lunched with Page and General Sir Frederick Morgan. Page is going as G.O.C. West Indies and Freddie Morgan is apparently one of the directors of Booker & Co., who are the principal operators in British Guiana. He is immensely impressed by the potentialities of British Guiana which seems to be enormously rich but almost wholly undeveloped. He is, however, worried about security in the West Indies generally. He is trying, I think, to keep B.G. out of any West Indies Federation. His firm are in touch with the Colonial Development Co., and may be asking them for a certain amount of assistance provided they can keep their own independence. I last met Morgan in a haze of alcohol at the C.H.Q. A. Mess Rhimes in 1944 or early 1945 when we discussed fraternisation. He remembered the occasion. I told him that from my experience of the 1914 war I doubted whether it would last for more than a fortnight. He agreed, but said that he had to do something. I arranged for Page to come and see Kirby Green.

For Minutes of D.D.G. meeting see D.D.G. Sec's tray.

I discussed with Horrocks, Charles and Dick the case of GALE who is to be our officer in Greece. The army now say they cannot pay him. We decided to make a final approach through the Military Secretary.

I saw Hill about the publication of the Anna WOLKOFF case which has been requested by Stokes. We did not wish to be placed in the position of making an application to the court as this would make everyone who had formerly been connected with the case feel they could talk freely to the Press. Apart from this certain of our informants may be jeopardised.



20th April

Hollis is still further delayed and it is doubtful whether he will be able to see Denning though the latter's departure has now been delayed until Friday, and he could see Hollis on Thursday afternoon.

Drew tells me that he is seeing the Minister for Home Security in Ceylon who is over here on a visit. He will be talking to him about various security measures rather on the lines of the Bridges Panel. The question arises as to whether Drew should say anything about our representation in Ceylon and whether we should like to have anyone present at the meeting.

I discussed with Glegg certain documents which we are proposing to send over to the Advisory Board to help them in their deliberations. It is important that they should know as much as possible about Communist activities.

21st April

I attended the J.I.C.

Drew came over to talk about the case of ANDREWS & Co. There are now questions in the House asking the Government to publish evidence in their possession regarding attempts by the C.P. to cause disruption in industry. The Chancellor is anxious to publish, but Drew has pointed out that before doing so it might be advisable to satisfy ourselves as far as possible of the evidence. There is just a possibility that the whole thing might be a plant. We have arranged that Skardon should go down and see the police, and that he should, in particular, check up on the signature. I warned Drew that if we were called upon to publish further evidence of this kind of thing we should be forced to say that there was none. Moreover, the truth was that Party headquarters had gone as far as to discourage anything of the kind. If therefore, the evidence was sound the action was probably taken locally without consultation with headquarters.

Thistle has returned on a visit. As far as I can see everything is going extremely well in Washington and Canada. Thistle evidently has the confidence of everybody in the F.B.I. and in the Embassy which he regards as being even more important. The new Ambassador was formerly his tutor and is extremely helpful and co-operative, and Jock Balfour is friendly though disinterested in our kind of business. He has gone no further than to ask whether Thistle is connected with the same kind of business as his cousin, namely me! Mickey Ladd has helped considerably on the Jewish side. While Peter Dwyer is liked and accepted, in fact the distinction between M.I.5. and M.I.6. has almost vanished although the misdeeds of Security Co-Ordination rankle a bit. M.I.6. will never be on quite the same basis of confidence as ourselves. It appears that after obtaining the approval of the F.B.I. Peter Dwyer sees C.I.A. once a fortnight. The F.B.I. do not like this however, and Mickey



in the most friendly way has made it clear to Thistle that if we do the same we shall no longer be persona grata. Mickey knows all about C.I.A. because he has a brother there.

The F.B.I. are rubbing their hands about Bogata which puts C.I.A. on the mat.

Hoover expressed great interest in the purging of Civil Servants here, particularly from the point of view of the production of evidence and sources. There is now some move in Congress to force the F.B.I. to disclose their files.

Thistle told me that when Hater received a copy of the letter written by Inverchapple to the D.G. he wrote to the Embassy saying that he hoped that this did not mean that a separate channel would be established between the D.G. and the Ambassador. Apart from being extremely petty this has no reality since the D.G. has Thistle in the Embassy with access to the Ambassador who can pass anything through him that he likes.

#### 22nd April

Vickery rang me to say that there has been a further case of leakage apparently from Government House in the Punjab last August. This was apparently a letter from Mountbatten to the Government. It seemed likely, therefore, that George Jenkin's letter to me leaked through the same channel.

#### 23rd April

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He seemed to me tired although this was not surprising after his experiences, but on the whole in good spirits. I only had a few minutes talk with him. He seemed to think that although Dalley had behaved badly he was clever, and was too clever for Winterborn. He said that he had had a number of conversations with Gent before he left K.L., and I rather gather that the question of splitting M.S.S. into Special Branches was not altogether abandoned. I told him that I had made a provisional appointment for him to see Malcolm McDonald at 11 o'clock on Tuesday.

Roger arrived at 7 o'clock this morning. I had a long talk with him and Dick. It emerges that for some time Travis, through Polden, had been making enquiries of Chiltern the Australian Sigint about certain personalities whose names were cropping up on the Moscow-Canberra traffic. Clearly, therefore, Chiltern knew that



the traffic existed and that it was to some extent being broken. In a letter to Chiltern which Polden had taken out in December Travis had added a postscript without saying anything to Polden saying in effect that the latter would be able to tell Chiltern certain confidential details. Polden knew nothing about this until Chiltern read the letter and asked him what the details were. At that stage Polder could only say that there were indications of a leakage of information from Australia, details of which he did not know. In the light of all this it was difficult to see what the fuss has been about the source. Meanwhile, we have been placed in an entirely false position particularly if it is now decided to tell the Australians the full story.

The visits of Mawhood and Airy still stink and if the Australians are now to be told that we have not <sup>come</sup> across them it will finally put the lid on our relations with them. Roger seems to have had a very satisfactory talk with Professor Bailey, the Solicitor General and Permanent Secretary of the Attorney General's Dept. under Evatt. Bailey is evidently a reasonable man to whom one can talk. He is clearly anxious to get Australian security on to a better footing. Meanwhile, Longfield Lloyd is adamant about not having a representative from us in Australia unless he is a member of his department with undivided loyalty.

As regards M.S.S.

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It does seem, however, that Winterborn has been wrong, perhaps, in not paying more frequent courtesy visits to the Governors. One of the difficulties there I think may have been that if you have no goods in the shop window you have nothing to sell. Purely liaison visits unless there is something concrete to discuss are apt to be tedious.

24th April

Page talked to me about the Stephens case. Dick Butler is apparently anxious that Stephens' name should be kept out. While everybody has agreed to holding the whole proceedings in camera Page feels that this may be rather difficult owing to possible question by Stokes, and to the fact that the press already have Stephens' name. I said that our only angle was this; whatever happens it will be difficult enough for us to reemploy Stephens. It will be still more difficult if once more his name is to be placed in the press. Even if he is entirely acquitted some of the mud is bound to stick.



26th April.

The D.G. saw Charles, Horrocks, Harry, Dick and myself and gave us a long account of his visits to Australia, New Zealand and Singapore. He was convinced that we should not get anywhere in Australia until and unless we came clean. He thought that the Australians were genuinely anxious to probe the leak, but as a result of the somewhat cagey policy dictated from London we were regarded in a mild degree by people like Evatt as either fools or knaves. There is no doubt that Evatt's office is insecure; his principal aide, Burton, who echoed all his views, was not at all security minded. This the D.G. had learned from Fraser, Prime Minister of New Zealand. Longfield Lloyd was thoroughly friendly but had little drive and was merely a tool of Evatt; his staff were not particularly high grade. The one hope seemed to be Bailey, in the Attorney General's department, who is likely to be coming over here shortly. The cases of MAWHOOD and FOLKES still stink in Australia and New Zealand. I told the D.G. that I had looked up both cases over the week-end and that it is quite clear that we had nothing to do with their appointments, and that they had no claim to represent M.I.5. It was, moreover, evident that FOLKES had been appointed by the New Zealand Prime Minister on MAWHOOD's recommendation, that Cummings had handed over our ciphers to him and had subsequently, on our instructions, recovered them, that we had then made enquiries of the Dominions Office as to who was responsible for security matters in New Zealand and received a reply, after investigation by Batterby our High Commissioner, that all the functions performed by our office both civil and military was now centred in FOLKES, and that we should therefore now transfer our allegiance to him. It was only after this enquiry that we finally instructed Cummings to hand over our ciphers to FOLKES. There was evidence that very considerable jealousy existed both in New Zealand and Australia as between the civil and military, and it might well be that there was a good deal to be said on both sides. MAWHOOD had written a long and factual report and had had two letters, one from the Solicitor General and another from Jones, late of the C.I.S., speaking in the warmest terms about his work and the scandalous treatment that he had received at the hands of the Australians.

The D.G. then went on to tell us about Singapore. He mentioned the incident with Dalley and Dalley's reply that he was merely repeating a remark which he had got from one of the D.G.'s staff in London. I asked the D.G. whether he had named the individual. The D.G. replied that he had; he told Dalley that he knew that there had been disappointments in London about his appointment, but the incident was closed and he did not wish to know the man's name. Dalley had, however, insisted on giving it. The impression left on us all, I think unintentionally, was that we any of us might have been responsible for the remark.

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I attended a meeting with Bridges in the Chair of the P.U.Ss and the Advisory Board. Padmore was there from the staff side of the Treasury: he had been conducting a number of negotiations with the staff side, who were considerably perturbed about the present machinery for dealing with civil servants.

There were a number of minor points which were easily dealt with. The major one was a request by the staff side that the suspect should be accompanied by one of their representatives when he went before the Board, and should also have a legal adviser. Gardiner said that such an arrangement would alter the whole constitution of the Board, which was not intended in any way to be a legal tribunal; the ex-civil servants were supposed to be entirely impartial and *parona grata* with Ministries, the Security Service and the Civil Service in general. If it were decided that suspects were to be accompanied and legally represented, or that a member of the staff side should actually sit as a member of the Board, he and his colleagues would have to reconsider their whole position, since it was not on this basis that they had originally been asked to tackle the problem. I said that from our point of view it was clearly undesirable that the suspect should be accompanied, firstly because this would be the thin end of the wedge to a legal adviser like FLATTS-MILLS or PRITT, and secondly because anyone attending the proceedings of each case would, in the course of time, be able to deduce what our sources were. The proposal was vetoed by all present, subject to the P.M.'s approval.

It was also agreed that the P.M. should be asked to endorse the view of the Board that they should not be called upon by Ministers to disclose information which had been imparted to them by the Security Service; this would not, however, prevent them drawing up a reasoned report on the case for the benefit of the Minister. It was finally agreed that the Prime Minister would have to say something



in the House about these matters, or anyhow something which would reconcile his two conflicting statements that the suspect on the one hand be given chapter and verse, but that secret sources should not be disclosed.

27th April.

At the D.G.'s meeting to-day, Hollis gave an account of the long-range rocket projects in Australia and expressed the view that the security measures were on the whole pretty good; the only weakness was in the vetting, since although all the motions were gone through, the records of the C.I.S. and the military might well be inadequate.

Vickery said that the situation in India was tricky, and that both Hindustan and Pakistan were talking of going out of the Empire, the reason being on both sides that we would not give our whole-hearted support over the Kashmir incident.

Harry Allen told the D.G. about the D. Notice to the effect that we are going to manufacture atom bombs, and that certain aspects of the project should not be mentioned in the Press.

Dick spoke of the Benelux talks and of various agent projects which had been going on in the D.G.'s absence.

Finally I told the D.G. about the Bridges meeting. I also reminded him about his decision that we were to have resident officers in the new building. I did not know how this stood.

Dick Butler came to see me, when he told me about the present position in the STEPHENS case.

The solicitors for the doctor have secured an adjournment of about ten days to enable them to consider certain evidence produced by Campbell without previous notice. They told Dick that the case against the doctor cannot possibly be finally concluded until the 1st June at the earliest. He said that he has applied for a firm date to be fixed for Stephens' case. He thinks that the hearing will commence somewhere about the 8th or 15th June and will probably last about a month. He has pointed out to Page the necessity for strict precautions to prevent the names and photographs of witnesses such as Lord Swinton, Sir Alfred Duff-Cooper, the D.G., Dick White, and officers of Intelligence Division being mentioned or appearing in the Press. Page says that the War Office is going to ask that the whole case should be heard in camera. Dick Butler does not believe that the Court has power to grant such an application. He has also pointed out the necessity, from many angles, of avoiding any mention of Stephens' own name if possible.

On the 16th March Charles Russell & Co., sent in an appeal to the Army Council on behalf of Stephens. They asked that the Secretary of State should report to the King on the whole position



and pointed out the impossibility of Stephens getting a fair trial, for the reasons given to the D.G. and myself by Dick Butler. The only answer so far received to this appeal was a statement to the effect that material is being collected for the Army Council to consider before answering it. Dick Butler suspects that in fact the Army Council are not going to answer it until they know the result of the doctor's case. If that is the case, he says that the costs will be considerably increased because he will by then have delivered briefs to Counsel, etc. He said he was told privately that Shinwell was extremely angry when he read the facts submitted by the firm, and that there is a battle royal going on between the Foreign Office and the War Office as to the responsibility for the treatment to which Stephens has been subjected.

The doctor's solicitors, who Dick Butler saw yesterday, have been in touch with a Mr. Whiton, who is the reporter in Germany of the Daily Express. He says that the Press know that Lord Pakenham saw Stirling (the Deputy J.A.G.) and Campbell before these cases were started and gave them instructions; that the reason why the Government are proceeding with these cases is that they wish to attack the senior officers of M.I.5. Whiton says that when the Government took office, the Head of M.I.5. was asked to give to the P.M. any files in his possession relating to members of the Government. He did so and the P.M. kept them, but the P.M. knows that duplicates exist in M.I.5. Therefore the Press is certain that these trials will lead to an effort to remove the leading personalities in M.I.5.

Dick Butler said that the solicitor told him this in a friendly way and that he seemed to be quite a decent chap. He pointed out to him, however, that the whole thing was arrant nonsense, but it was the sort of dangerous gossip that is going on because of the mishandling of these cases.

Whiton also said that the decision as to whether the proceedings against Stephens are to go on will rest with the P.M., who is considering it at present.

A further item of dangerous gossip is that a member of the Foreign Office staff said to a young woman that "we" are determined to go on with these cases in order to show up M.I.5.

Dick Butler suggested for consideration that the D.G. might consider mentioning the present position to the P.M. or Bridges on the following lines:-

- (a) He is not asking that the proceedings should be stopped because this office thinks they should be stopped.
- (b) Stephens is an officer of a department for which the P.M. is personally responsible, and the D.G. conceives it his duty to let the P.M. know how this officer has been treated. It is suggested that the D.G. should not discuss the matter in detail with the P.M., but merely suggest that he should see the War Office file and particularly the letter from Charles Russell & Co. of 16th March.



- (c) Having mentioned the position to the P.M., or Bridges, as Head of Stephens' department, it was further suggested for consideration that the D.G. should point out to the P.M. that the gross mishandling of these cases, which is thought to be admitted by everyone in London who knows about them, has resulted in, (a) dangerous gossip on the lines indicated above, (b) drawing the attention of the Russians to the personalities concerned, and (c) the practical certainty that, whether the case is heard in camera or not, the proceedings against Colonel Stephens will result in further undesirable discussions and publicity.

Finally, the D.G., if he does mention the position as suggested, might bear in mind these facts:-

- (i) It is clear that a decision was taken in Germany, Dick Butler thought by General Bishp, that the N.C.Os and other ranks, who are almost certainly guilty, should not be prosecuted;
- (ii) that it is abundantly clear that the first court of inquiry, as a result of which Stephens was suspended, was illegal from start to finish. If the Government are asked who are the guilty people, the answer is the soldiers who disobeyed orders and possibly two or three of the officers who have not been charged.

Dick Butler said he made these suggestions with some diffidence, but thought it would be appreciated that if these proceedings go on, or even if no honourable solution is reached, Stephens will have very serious grounds for giving the utmost publicity to the scandal of his treatment. He said that if it would be of any assistance, he would be perfectly ready to let Sir Edward Bridges see any papers which he has in his office which would be of interest.

28th April.

At the J.I.C. to-day we discussed the paper on the World Situation in 1957, over which I understand there had been an acrimonious dispute. Hayter wanted the paper to be summarised and had gone so far as to accuse the J.I.S. of laziness, in spite of the fact that they and all the Directors of Intelligence felt that it was not possible to summarise such a paper. I gathered that Hayter was now going to summarise it himself and to submit his version for the discussion by the J.I.C. The J.I.S. took serious umbrage on being accused of laziness, which in the circumstances, I think, was wholly justifiable - they have a mass of papers to prepare and are extremely hard-worked.

We also discussed a suggestion by the D.N.I. that the D.Ds of I. should spend more time in considering ways and means of procuring intelligence. He had tabled these items, where he thought that something



might be done. These affect M.I.6. more than ourselves. He based his suggestion on the Evill report. I did not say anything, but in fact Sir Douglas Evill was not charged with looking into the affairs of M.I.6. and M.I.5. He was solely concerned with the staff of the J.I.C. and its subordinate bodies, and the general organisation and co-ordination of Intelligence. His enquiries would, in fact, have been much more profitable if he had investigated M.I.5. and M.I.6, since it is clearly no good having a vast machine to assess, co-ordinate disseminate, etc., if there is nothing really good for them to work on. S.I.S. took the view that if the D.N.I. had any bright ideas of the kind that he had tabled, the proper channel would be to discuss them direct with the section concerned in S.I.S., through his liaison officer. The other Service felt that there might be some advantage in discussing such points at the J.I.C., as it might help them in putting forward suggestions from their own departments. It was agreed, however, that in taking part in such discussions, S.I.S. could not be expected to disclose too much about their work. They would, however, have been prepared to say in general terms whether the proposals were feasible or not.

There followed a discussion about the allocation of work between the D.Ds I and the D.Ds C. & S. This amused me quite a lot as it was the point that I had made when it was decided to split on these subjects. The Service departments were complaining that matters put down for D.Ds I. should really go to C. & S. and vice versa. Somebody complained that Staff Courses was an obvious subject for organisation departments. Page replied that if he were called upon to do this work, he would have to pry into the affairs of D.D. I, who was the only person who could say who was qualified to speak on certain subjects, and indeed whether it was desirable to speak about them at all. The conclusion was that the line of demarcation was extremely difficult to define, and that in many cases papers would have to start with D.Ds of I. and finish up with D.Ds C. & S.

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Page brought his successor, Colonel Adnerson, to see me.

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I saw Maxwell about MOSLEY. He said that he would consult the Home Secretary on the question of ----- He telephoned later to say that the Home Secretary had agreed.

Maxwell mentioned to me that he had been having considerable discussions with his staff about the general policy of naturalising Communists. He said that Hudson was definitely against it, and he himself was rather coming round to the view that, to be in conformity with the general trend regarding Communists, his former ideas on the subject might have to be modified. I said that I felt there was a certain inconsistency in naturalising Communists at this time, and I mentioned to him the case of ABRAMSKI. I said that if these people were not naturalised, there was a certain deterrent, since it would be possible to deport foreigners back to their own country of origin.

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Charles spoke to the D.G. yesterday about his remark at our meeting, that Dalley, in referring to the D.G. as a "flat-footed policeman with no intelligence experience" had been quoting something said to him by a member of the D.G. staff in London. Charles pointed out to the D.G. that this left a rather unpleasant atmosphere unless the man was named.

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Kirby Green came to talk to me about Police lectures on M.I.5. He had been asked to speak to Inspectors at Gloucester. I said that I thought in a general way he should attend the meetings and answer questions, but that it was a bad principle to have lectures on M.I.5. for the subordinate ranks of the Police. In certain cases specialist lectures were valuable where the Police were directly concerned. I thought, however, that he should draft some reply and consult the D.G. I told him that he ought not to answer letters addressed to the D.G. from Chief Constables without letting the D.G. know the proposed reply, since at some later date a Chief Constable might refer to the matter, which would place the D.G. in a difficult position.

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25th April.

Pakenham came over to ask my views about a proposal that CALVO, who it was proposed should return here as representative of a Spanish newspaper called E.F.E. CALVO is, of course, the convicted German spy who spend a long time as a resident of O20. Pakenham said that CALVO did not appear to bear any resentment and had recently been writing quite acceptable articles about this country.

I said that I did not think that the Home Office would stomach his return, and that although he probably would not reengage in espionage, his presence would undoubtedly become known here resulting in a question in the House; this would place the Government in an extremely embarrassing position and, moreover, would not be conducive to any improvement in the relations between this country and Spain. I thought that this should be the Foreign Office answer to their Press Attache in Madrid, who could, if he saw fit, pass it on to CALVO.

Pakenham said that he was dealing with Western European journalists in the Foreign Office and would be very pleased to let us know about any case concerning which he had doubts.

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The D.G. had a meeting with myself, Hollis, 'C' and Travis. We went over all the ground of the Australian leakage. I think Travis was a little shaken by the suggestion that the Australians probably knew about the Moscow-Canberra traffic, and Hollis's remark that enquiries had been made as early as June, 1947, about certain individuals who were mentioned in this traffic. Travis said that he thought this most improbable, but that he would look into it.

The upshot of the meeting was that a careful case should be prepared, taking account of all points of view, and that representation should be made to the Americans. It should be pointed out to them that unless and until the Australians had the full information, it was unlikely that there could be any guarantee of security in Australia. The present situation was embarrassing to all and made defence talks almost impossible.

30th April.

At the J.I.C. to-day, Bouchier, D.D.M.I., gave some account of his visit to America. He had accompanied our Planners, who were attempting to co-ordinate their activities with those of the Americans. Unlike our J.I.C., there is no Foreign Office representative on the J.I.C. in America. The driving force is General Todd, who is a permanent representative controlling the J.I.S. In addition to General Todd, the three Service Ministries are represented. Bouchier found that the Americans were concentrating much more on the period July 1947 to July 1948, and that in order to discuss Russian and Allied capabilities and intentions from 1957 onwards, it was most



necessary to deal with what the Americans thought the more urgent problem. Their views coincided to a large extent with our own, except that they felt that there were reasonable grounds for thinking that the Russians might feel that it was in their interests to provoke a show-down while Europe was still fluid and before the Marshall Plan had had time to take effect. They had, therefore, prepared an emergency plan known as "Double Quick", the basis of which was long-range bombing, presumably with atomic bombs- from the U.K., Okinawa, and Karachi. Karachi shook the British delegates to the core, particularly when the Americans said that it was their intention to go there with or without the consent of the Pakistan Government. Boucher had wired home about this and had got a reasoned argument, which had the effect of riding the Americans off so dangerous a proposal. While it might be wrong to assume that they had given up the idea altogether, they had agreed to accept the Middle East as a suitable alternative.

In their intelligence summaries the Americans take the line of painting the blackest possible picture that they can. This is rather typical of American methods. Kenneth Strong said to me that Eisenhower had told him that he never could get any value from American Intelligence because they always backed every horse in the race! As resources would never allow every possible eventuality to be covered their deliberations were not particularly helpful.

It was agreed that the American Emergency Plan, which had been given to us more or less sub rosa, should not be circulated beyond the Directors of Intelligence. A copy would, however, be retained for us and M.I.6 to see if necessary.

I recommended to Gleadell that he should inform Brigadier Barker of the Indian Section, C.R.O., about the proposal to occupy Pakistan, as I thought that he might hear of it by a side wind and that in any case it was important for him to know. Gleadell readily agreed to this.

There followed a discussion on Belux-security. The D.M.I. thought it was important that the Chiefs of Staff should realise the position and make up their minds how far they were prepared to go. I said that although careful instructions had been prepared by ourselves and M.I.6, on various security measure which we thought necessary, it must be understood that Allied security in general was lamentable, that it took years of education for a country to become security minded, and that ultimately much depended upon the state of the Civil Service. Obviously if preparations were going to be made, a large number of people would have to know about them. It must, therefore, be expected that leakages are likely to occur.

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I lunched with \_\_\_\_\_, Corin and Mrs. Quin.

I asked \_\_\_\_\_ what the Russians were doing in Norway. He said that they were fairly active but that he personally did not think that anything was imminent. He felt that they were more interested in our activities and American activities in Norway, than Norway itself. They were, however, covering military establishments, air fields and docks with some interest; for military establishments they have used the Russian War Graves Commission and for docks they had sent people connected with the raising of some wreck in Norwegian waters; these people had taken far more interest in the docks than in the wreck! The Russians had freedom of movement, except in so far as military establishments were concerned, whereas the Norwegian Attache had had no freedom of movement in Moscow; he had consequently been withdrawn. The Russians generally made use of members of the Norwegian Communist Party. The Norwegian Civil Service had a certain number of Communists, the policy was to push them around to innocuous jobs without coming into the open as we have done. This was generally fairly effective.

\_\_\_\_\_ said that the Norwegians wished to maintain touch with us and suggested that I should have a talk with Evang when he was over here in June.



At the Appointments Board to-day the following matters, amongst others, were decided:-

- (a) that EMERY is to come back at the end of the year to gain Head Office experience; he may ultimately succeed Geoffrey Jenkins, but this will depend upon how he shapes.
- (b) Nairobi station is to come under S.I.M.E., and consequently B.3.a.
- (c) James Robertson is to go to B.2.a.; Courtenay to B.3.a.; Patterson to B.3.b., and Loftus Brown to B.1.B.

It was decided to ask Vickery to give an analysis of the duties performed by his section, where it may be possible to effect some reduction of staff. It should, of course, properly be a section of B.3., but there may be something in keeping it apart until we know whether India is going to remain within the Empire. In that eventuality M.I.6. have staked a claim for certain of Vickery's documents and functions. I said that I thought there was something to be said for keeping questions affecting India and Indians in the hands of a section that really understood these matters.

The D.G. asked me to see the C.R.O. about Ceylon. The question of Pakistan is deferred, owing to the political situation, although Ahmed is anxious to pay us a visit as soon as it is thought likely that Jinnah will give his approval.

The question of West Africa is in abeyance until Kellar returns. He has, however, wired to say that he will be recommending the appointment of a D.S.O. post in Accra, which will necessitate two officers and the requisite staff.

In view of the situation in Palestine, it was agreed that a cable should be sent to Magan emphasising complete freedom of action in withdrawing our staff from Jerusalem, should it become desirable.

### 3rd May.

Nicholson of the R.C.M.P., who I understand is ultimately likely to become Commissioner, is doing a short course here. He is a very likeable person and is anxious to co-operate in every way. I talked to him quite a bit about our organisation, and particularly about the J.I.C. in Canada; I said that I had always felt that the R.C.M.P. ought to take a more active part in its deliberations. He said that he was now the R.C.M.P. representative and that this was in fact cogging about. Relations with the Services were far



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better than they had ever been before, and the R.C.M.P. were much more forthcoming. I explained to him how during the war in various aspects of our work, particularly the running of D.As, we had got the co-operation of the military through bringing them into our various discussions and getting them interested in our work.

4th May.

Baskerville -Glegg came to say good-bye. He is leaving to take over the station in Nairobi.

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I had a discussion with Dick, R.A.R., Hollis and Miss Russell-King about our relations with the French. T.A.R. is very keen to conduct liaison with Verneuil through Le Man on cases which are of importance to us. Meanwhile, Miss Bagot has put out a questionnaire on international Communist matters which we would propose should be handled by S.I.S. I am sure that our proposals are sound. Dick will discuss them with S.I.S. at his next meeting.

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Guy Burgess rang me up about two Danes, who some time ago had given information about Jewish terrorist activities. He said that while he had come to the conclusion that one of them was unreliable, the other one who was staying(?) with him, he thought was all right. He wondered whether, in view of the recent bomb outrage resulting in the death of Roy Farran's brother, we might have some use for this man's services. I said that I would look into the question and that if there was anything to be done, I would let him know.

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I talked to Dick White, Hill, and Dick Butler about the Stephens case. We first of all dealt with the evidence which Dick (White) was going to give; he felt that he could only speak in regard to the Intelligence product and could say nothing which might be interpreted as indicating that he had any control over the administration of either O20 or Bad Nenndorf. This was agreed.

I then discussed the case of LECUBE. It was agreed, subject to the D.G.'s approval, that Stephens should be allowed to refer to this case. It is relevant to Stephens's defence in that it shows that with mechanical aids Stephens was able to refute an accusation made by LECUBE that he had been ill-treated. He had been denied these facilities at Bad Nenndorf owing to lack of suitable personnel.

Roger and I went to see Gardiner, when we had a general discussion about the procedure of the Board. He raised a point about what should happen if the Minister, on receipt of the suspect's counter-statement, decided to reverse his prima facie decision. Should



the papers go to the Board? He pointed out that if they did not, the authorities here would not have the benefit of an examination by the Board of the sources on which our case was based, and certain information of a highly secret kind which might be behind the original accusations. Hollis took the view, I think rightly, that the Minister would never be told about these sources and that there was something derogatory in the Board acting as a protection for the Minister against M.I.5. It had always been the practice in the past for Ministers to accept M.I.5's word. One cannot escape the fact, however, that the sifting of our evidence as a protection for Ministers was probably in the minds of the Cabinet when they made their decision. They have certainly given that impression to Parliament and to the public in general.

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I happened to meet Sir Paul Patrick at the Club in the evening and found that he entirely shared our view.

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Mitchell is back from East Africa. He thinks that the main importance of establishing an office in Salisbury is to effect a really good liaison with the South African Police. He thinks the moment is opportune and that they are in a co-operative mood.

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5th May.

At the J.I.C. to-day Air Marshal Sir Thomas Elmhirst, who is in control of the Hindustan Air Force, gave a talk to the J.I.C. He said that since August 5th he had attended regular meetings of the Defence Committee. Similar machinery for defence, including a J.I.C., Directorate of Plans, and J.A.P.S. has been set up. D.I.B. in the person of Sanjevi, is represented on the J.I.C. A certain amount of trouble was caused, however, by Sanjevi claiming that he should be Chairman and in control of all Intelligence - internal, external, military, naval and air. His proposal was vetoed by all other parties, and he has been reduced to the status of a humble member. Elmhirst has advised him to concern himself with internal security and with the running of a certain number of agents into adjacent territory.

At the moment there are no sources of intelligence of any consequence coming either from D.I.B. or any of the Services. Elmhirst has also advised the authorities that they should have a Secret Service



of their own and that they should also concentrate on 'Y'. As regards the latter, they are making a start with monitoring stations.

The Services wish to have links on S.S. and C.E. lines with this country. Elmhirst has told them that until they make up their minds whether they are going to remain within the Commonwealth or not, such links are out of the question.

I told Elmhirst that we had a perfectly overt representative in the High Commissioner's office, who was getting on well with Sanjevi, but that D.I.B. was a mere shadow of its former self. I also told him that as soon as the political situation was favourable, we should be establishing a liaison with the Intelligence Bureau in Pakistan.

2. Elmhirst said that the question of India remaining within the Commonwealth had been deferred until July. He thought that at the moment the betting was slightly in favour of their remaining in, if they could find some formula on Irish lines. They realised that we were their only friends, and it is perhaps encouraging that they had asked him to stay on and had just obtained the services of Admiral Parry to run their Navy.

There is no doubt that Nehru, Patel, and the Minister of Defence are anxious to maintain British connection. Their difficulty is to put their former policy of "driving the British out of India" into reverse without losing face.

Elmhirst has had talks since his return both with the Prime Minister and the Chancellor, who have apparently authorised him to say, unofficially, that the British Government might consider stretching the Constitution if a suitable formula could be found.

3. In spite of the situation in Kashmir, relations between Army officers in Hindustan and Pakistan, and also between Civil Servants, appear to be reasonably good. The antagonistic parties are the politicians and the Press.

The Government of India realises that if they are going to hold India together, they have got to be strong, and they are therefore concentrating on building up their Armed Forces and Police. They perfectly understand that if a conflict arises between Hindustan and Pakistan, or even between Hindustan and Hyderabad, British officers will be ordered to stand down.

4. The members of the Government are bitterly anti-Communist, particularly Patel, and are prepared to deal drastically with any situation which may arise. Elmhirst himself, with full backing, has got rid of 600 Communists, or suspected Communists, in the Air Force.

5. Elmhirst is worried about refusals to allow members of the Indian Forces to attend courses over here. Whenever he tries, he is always told that there is Top Secret material which could not be



disclosed, and that the presence of the Indians would be embarrassing. He wondered whether there was any possibility of getting over this difficulty.

The Ds. of I. took the view that, in view of the lack of security in India and the possibility of leakage to the Russians, there was nothing at the moment which could be done. If India remained within the Commonwealth, it might have a certain bearing, but it would not necessarily imply that their security was any better than it is now.

Elmhirst rather took the view that the Forces were secure, but he seemed to base this largely on the fact that camps and aerodromes were surrounded with barbed wire. He did not seem to have considered the reliability of the various members of the Forces who would have to handle our Top Secret equipment and documents. D.N.I. pointed out to him that unless there was an efficient Security Service in the country, which Elmhirst admitted did not exist, free exchange between us and India would be impossible.

I mentioned to the D.N.I. afterwards the awkward situation created here by the presence of Krishna MENON as Indian High Commissioner. If Indian officers were over here doing courses, they would be to some extent under the control of Krishna MENON's office. MENON himself is in fairly close touch with the leaders of the Communist movement in this country.

I discussed with Archer, of the C.R.O., our representation in Ceylon. He agreed that it should not really present any difficulty. He said he would telegraph to the High Commissioner, recommending the appointment on the lines of a draft which I left with him. We would await the High Commissioner's reply before taking any further action.

Archer gave me a copy of Rugby's foreword to our paper on the effects of Eire neutrality during the war. I told him that we were embodying certain notes and appendices in our original report which we would let him have. I gathered that Rugby had approved our draft, although he thought perhaps we were being a little too kind to the Irish!

~~For the minutes of the Dr's meeting held on day, 1955, 1955~~  
~~held by Dr's~~

6th May.

Alan Roger has returned from Hong Kong on leave. Things on the whole seem to be going fairly well. It is satisfactory to note that the Police have asked him to deal with their H.O.s. I think they feel that this work can be better and more securely done by the D.S.O. Difficulties have arisen in this connection over Dalley intercepting mail addressed to Hong Kong and ripping it open in the crudest fashion. Not only does he defeat his own ends, but he compromises addresses in which the D.S.O. is interested and to which correspondence is coming from other parts of the world. This matter is being taken up with S.I.F.E.



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Mitchell gave us an account of his tour. He is emphatically of the opinion that we should establish an office in Salisbury, if for no other reason than to effect a close liaison with South Africa. He met with nothing but good will throughout his visit.

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7th May.

Noel Wilde came to see me. He asked me whether I was going to attend the Hollis Committee. I said that I didn't know. He said that he was particularly anxious that 'black' and 'white' propaganda should be co-ordinated with deception; in fact, he thought that even S.O. activities should be included, since all have a common aim, namely, to bring about a change of national policy, and all are supplementary to each other.

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8th May.

John Mair looked in. He is still with the Legation in Vienna, but he is trying to get a job of a more long-term character with E.R.P. in Paris. He is evidently very well thought of and has received first-rate chits from our Minister, who has represented forcibly that he should be made a permanent official of the Foreign Office. The Foreign Office say, however, that the Civil Service Commissioners will not allow any deviation from the rule.

Conditions in Vienna have improved in certain ways, but the Russians are, of course, a running sore. Mair has been sitting with them on one or the Commissions. He said that where Molotov might have to operate abroad within a channel about a yard wide, the channel of the Soviet representative in Vienna was about an inch wide. There was no scope for discussion or argument at all. The Soviet representative had made a bald statement, generally from a typewritten document; the British or the Americans then torpedoed it 100%, upon which the Soviet representative read it out again and left the meeting. This was the common form. The Russians are very sensitive - or are instructed to be so. On one occasion Mair suggested that they were making a mountain out of a molehill: this, when interpreted into Russian is "using a match to set Moscow on fire"! Serious umbrage was taken on this remark; it was considered an insult to the Soviet Union! The Russian delegate solemnly rose and marched out with his colleagues, but appeared smiling next day.

Nobody feels very safe in Vienna, because the Russians are always armed and do not hesitate to shoot, particularly if they happen to be drunk. The Police, of course, are not allowed to carry arms.

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10th May.

I attended a meeting at the Treasury this morning with the three Advisers (Communists and Fascists in Civil Service). The majority of matters discussed affected their own procedure. These points are:-

- (a) The Establishment Office should introduce the suspect to the three Advisers. This is necessary in order to ensure that they are dealing with the right man.
- (b) Before the suspect comes in, a member of the Board will go out and explain to him very broadly what the procedure will be. This is designed to put the suspect at his ease and to create, as far as possible, an atmosphere of the "prisoner's friend".
- (c) The suspect is to have a copy of the charge and of his own statement in reply to refer to.



- (d) The terms of reference to the three Advisers will be read out in the hope that it may cut out a certain amount of irrelevant discussion.
- (e) The Board will be supplied with the man's record of service. The suspect will remain with the Establishment Officer in his department until his presence is required at the Treasury. This is designed to avoid suspects meeting in the Treasury waiting room.

The only matter discussed which really concerns us in this procedure is the suggestion by the three Advisers that we should be present when they see the Establishment Officer. The latter will then withdraw and the three Advisers will see our representative alone.

There are two things which the Advisers would like to have from Us:-

- (a) A short memorandum on the I.P.C.S., including the extract from "A State Service", which shows the attitude of the National Executive Committee to the purge.
  - (b) Our views on Gardiner's questionnaire and any additions that we may care to make.
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11th May.

For the Minutes of the D.G. meeting held to-day, see  
folder held by D.G. Sec.

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I attended a meeting of the Hollis Committee, when we discussed the L.C.S. deception plan. The initial aim of this plan is to deter the Russians from increasing the area under their domination by exaggerating our power to make war. The plan has been accepted, but its implementation is, of course, another matter and needs a good deal of research.

General Hollis reported on his visit to Washington. He had, in fact, discovered very little, except that the Americans were ready and anxious to co-operate.

The Admiralty representative of the Planners said that when he was in Washington the other day he was surprised to find that the U.S.A. Planners put the cover plan into their reports. 'C' said that he thought this would probably be changed, since the equivalent of the Hollis Committee had now been set up in America. Those represented on it were the Services, the State Department, C.I.A. and the F.B.I. It was agreed that the Hollis Committee should invite a representative of this Committee to come over here and discuss plans.

Saunders, the Secretary of L.C.S., complained that he had been having difficulty about "chicken food". He was told that



in future he should address his complaints to the Planners, who would see that he got what he wanted either from Intelligence or Technical departments;

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12th May.

Roger Hollis and I attended a meeting at the C.R.O. to-day with Sir Gilbert Laithwaite and Mr. Archer, to discuss Dominion security.

I said that I did not wish to go back on the J.I.C., but that our personal view was that it would be a mistake to down-grade the "brown" Dominions to Category B.; it would be better to keep them in Category A. and accept the embarrassment of withholding certain information from time to time. If necessary, and if we could get American approval, we could say that we were not at liberty to pass on information received from them, and even certain of our own information we should not be prepared to pass on in present circumstances. We should, however, do our best to give them everything that might have a bearing on India's defence. I said that I did not see how there could be any sort of a security guarantee which would be worth the paper it was written on for some considerable time. A particular instance was the case of Krishna MENON, the Indian High Commissioner in London, whom we knew to be closely associated with the leaders of the Communist Party. Any delegations or students attending courses would be under the High Commissioner's auspices, and it would be natural for them to tell him what they were doing.

I said that we had been quite frank on this point with Sanjevi, D.I.B., before MENON's appointment was made; and latterly when a suggestion was put forward that D.I.B. should have a liaison officer with us in London, we had told Sanjevi that it would be a waste of time because we could not communicate information to a member of the High Commissioner's office. Sanjevi knows all about MENON and perfectly understood our objection. For the time being he had given up any idea of appointing a liaison officer.

Sir Gilbert Laithwaite said that similar objections would exist with regard to Pakistan, who just at this moment were showing signs of a flirtation with Moscow. He thought this was probably only a temporary phase.

We then discussed the "white" Dominions. Sir Gilbert and Archer were both au fait with the situation which gave rise to the D.G.'s visit to Australia. Hollis was able to give them a full account of what had happened and what was proposed for the future.

Archer seemed anxious to get some sort of quick clearance of security issues with the Dominions, which would enable C.R.O. to send them Top Secret documents with which they were concerned. The present position was extremely embarrassing and the Dominions were constantly



complaining that they were never consulted until after the event.

We pointed out that there was no foreseeable date when we could give any sort of guarantee that Dominions security was on sound ground; it depended upon so many factors which were quite beyond our control. Firstly, the general state of security-mindedness in the country. Secondly, the measures which the Government were prepared to take to purge their Civil Service, and thirdly, to make the purge effective, an experienced Security Service with the necessary records behind it. Some progress had doubtless been made, owing to the recent talks in Australia, and it was hoped that if we were authorised to communicate the full facts, the dangers of the position might be brought home still further. This might cause a general awakening, such as had occurred in Canada after the GOUZENKO case.

It was agreed that nothing should be done until Chifley had sent his reply to the Prime Minister, and Hollis had again visited Australia. It might then be for consideration whether some letter should go from the Prime Minister to "white" Dominion Prime Ministers, explaining to them our present dilemma in passing them Top Secret material, and urging them to consider ways and means of conforming to our security standards. This would prepare them for discussions when they came here in October.

Hollis, Mitchell and Simkins are worried about the Purge, which seems to be extending itself outside the Prime Minister's ruling. A case has cropped up of a man in industry, whom the Ministry of Fuel and Power wish to take on as a Government servant. He is a Communist or a near-Communist. Winnifrith seems to think that the man should be told and have the right of going before the Advisory Board. My feeling is that in a case of this sort a man should just be left where he is in industry and nothing more should be said. Winnifrith claims that it is an illogical sequel to the decision that candidates for the Civil Service who qualify in the examinations should be told, if they are Communists, that they will not be posted to secret work and have the right of going before the Advisory Board.

Hollis and Mitchell seemed to think that this decision was outside the Prime Minister's ruling. Technically, I think, it is; on the other hand, it might be argued that it was unfair to allow a man to enter the Civil Service without telling him that his appointment to a higher rank is likely to be barred owing to his associations. I think that Bridges and the P.U.Ss will have to consider this point again. Technically I think it is. On the other hand it might be argued that it was unfair to allow a man to enter the Civil Service without telling him that his appointment to a higher rank is likely to be barred owing to his associations. I think that Bridges and the P.U.Ss will have to consider this point again.



13th May.

No arrangements have yet been made for the return of TASSOEV to Germany, as it is felt locally that the conditions there are unsatisfactory. Opinion, however, is veering round to our original suggestion that he should be handed over to the Russians in Germany, or allowed to find his way across the frontier.

Cumming and I went over to see Maxwell to tell him that the latest Foreign Office suggestion was to notify TASSOEV that he would be sent back to Germany on Tuesday or Wednesday, and to give him the weekend to think things over.

Maxwell felt that in the circumstances it would be better to get rid of him as soon as possible, since he had expressed a firm wish to be handed over to the Soviet authorities.

Cumming went on with Maxwell to see Strang. Strang was apparently very much on the spot and entirely saw our difficulties. He evidently thought, as we did, that the only course was to get TASSOEV back as soon as possible, and then issue a statement saying that he had defected voluntarily but had subsequently changed his mind.

Harrison, of our Embassy in Moscow, came to the J.I.C. to discuss Services representation. He said that the present cost of maintaining the Embassy, which included 10 Attaches, was over £400,000 a year and rising to £600,000. This was largely due to the extortionate rates of exchange which the Russians gave to diplomats and the consequent high cost of living. Attaches were entirely cut off from the Russians; there was no intercourse of any kind, and the Ambassador felt, therefore, that Attaches might be cut down by half. This, however, depended upon whether the Ds. of I. thought that they were getting any intelligence of value.

D.M.I. said that he was withdrawing his M.A. and intending to leave the post vacant. The Navy was, I think, prepared to make a reduction. The Air Ministry, on the other hand, said that observation during events such the May Day party was one of the few sources of intelligence concerning the Soviet Air Forces.

D.N.I. emphasises the advantage of young officers having some experience of life in Moscow, even though there was little business to transact. With this Harrison agreed.

The question was then raised as to whether if we cut down by half we could tell the Russians to do the same. It was pointed out that this had already been discussed, with negative results, as we were afraid that it might end in our having no representation at all, whereas the Russians would still have the Trade Delegation. In any case, Bevin was reluctant to act in cases of this kind. The suggestion was, however



made that we should insist that Soviet Attaches were uniform, and restrict them to a twelve mile limit, which is imposed upon our own Attaches in Moscow. They do not often get permission to go outside it.

Professor Brunt said that he had been considering placing a scientific officer under the Commercial Attache, but, in view of what Harrison had said, he did not think the project worth while. There was apparently considerable difficulty in purchasing technical or scientific publications: these are kept 'under the counter' and not sold to foreigners.

The Planners gave an account of their visit to Washington. The Americans are apparently afraid of publicity in regard to a joint short-term plan; each party, therefore, is putting up its own plan, but ours incorporates the American one for Operation "Double-Quick". After the talks on "Double-Quick", long-term planning was considered. Papers are to be exchanged on a Planners level. The Americans have a complex about disclosing "Double-Quick" to any civilians. We considered, however, that once having incorporated "Double-Quick" in our plans, we are liberty (?) to discuss the matter with those concerned with shipping, etc.

S.O. matters were considered. At the moment it is not clear in the U.S. whether S.O. comes under C.I.A. or the military.

The Americans were told that if they intended to use the U.K. as a base for atom bomb action, we were entitled to know what they estimated they could achieve by such action. Owing to the secrecy that surrounds the atom bomb in the U.S., no one seems to have considered this matter very deeply. We are, therefore, going into this matter on our own and an Inter-Services Committee under Air Vice Marshal Walmsley is now sitting. J.I.B. are to be kept in the picture.

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18th May.

Hill told me that he had a slight breakdown over the weekend and without Wakefield and K.G., who was always in the provinces, he did not feel that he could carry on. In any case, he would be going on leave on the 1st June. One of his commitments is the arms traffic. He said that he thought it was an important one, as we had already prevented three consignments going to Pakistan and two to Hyderabad, apart from enquiries about aircraft going to the Middle East. He thought there was a whole-time task if the arms traffic was going to be done properly. I said that I would look into it and see what could be done, although at the moment we are extremely short of staff.

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19th May.

I had a meeting this morning at the Home Office in Newsam's room. Sir Harold Scott, Baker, and two representatives of the Aliens Branch were present. It was agreed by all that the Foreign Office proposal to return TASSOEV to the Soviet Embassy at noon to-day was a bad one. It would be open to him to bring an action for wrongful detention, which, although it would probably fail, would at the same time create a great deal of undesirable publicity.

Newsam took the view that if TASSOEV merely wanted a representative of the Soviet Embassy to authorise his departure for the British Zone in Germany, his request should be ignored, as all he was doing was to question the bona fides of the British Government. Clearly he thought that we were going to push him out of the aeroplane into the Channel!

It was agreed by all that the obvious course was to put TASSOEV on to the aeroplane, by force if necessary. The Police were quite confident that they could handle the matter.

We then walked over in a body to express these views to Sir Orme Sargent. He called in Halford. Newsam told him of the Home Office conclusions, at the end of which he sat back in his chair and said that the really regrettable aspect of the whole problem was the complete lack of co-operation that had been received from M.I.5., who had entirely failed to provide adequate accommodation for this man. This frankly took my breath away, the more so since Malcom Cumming has for the last fortnight been working more or less day and night, weekends included, in trying to smooth out the ineptitudes of S.I.S. and the Foreign Office! I was just going to ask Orme Sargent what exactly he meant by 'lack of co-operation', when Newsam chipped in and said that it was, of course, quite impossible for M.I.5. to detain people legally in this country without the authority of the Home Secretary, and that he would not in any case countenance it.

I then said that whatever view was taken with regard to legality, it was quite impossible to detain anybody anywhere in the British Isles indefinitely without somebody getting to know about it. I did not go further than this, and perhaps it was just as well - I felt so angry that it would probably have led to a show-down and to my saying a good deal more than was perhaps prudent.

Orme Sargent agreed to the course proposed, and suggested that it might be better to fly TASSOEV to the British Zone and let him make his way across the frontier, rather than to fly him to Gatow, which was surrounded by Soviet territory.

I told the D.G. on my return what had happened. I said that I was astonished that anybody in Orme Sargent's position could be so ignorant and short-sighted as to think that you could hold a man illegally for an indefinite period in this country. Obviously he had a complete misconception of the whole position, and particularly that of M.I.5. Throughout this incident the Foreign Office had been taking unilateral action, apparently quite oblivious of the fact that nobody can be moved in or out of this country or be detained in it without the authority of the Home Secretary.



As regards M.I.5, I had the impression that he thought that we had all kinds of oubliettes all over the country and that we were in the habit of dropping any unpleasant visitors down unused wells, in the true Phillips Oppenheim style! The fact is that the Foreign Office live in a kind of world of their own. I suspect Halford of having made mischief and of having misinterpreted my intention at the previous meeting at the Foreign Office, when I said that in my view we should do well to cut our losses and hand TASSOEV back, since the consequences of keeping him here against his will would in the long run be far worse.

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Marriott came to tell me that further enquiries made through Professor Flory seemed to indicate that there would be no harm in allowing the Russians to purchase penicillin plant in this country. This, in spite of the fact that an entirely contrary view had been expressed by the eminent Professor Fildes, who is supposed to be the last word in B.W.

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I went to a cocktail party at the Dorchester given by Win Scott. I met William Hayter there; he had just returned from leave. I told him that his Chief had been extremely rude to me at the meeting at the Foreign Office to-day, in suggesting that in the TASSOEV case M.I.5 had been wholly un-cooperative and had failed to provide suitable accommodation. I said that I felt so taken aback and so angry that I was practically speechless: it seemed to me that he was labouring under a complete misconception of M.I.5's functions, capabilities and responsibilities. He seemed to think that we were a mysterious body, read about only in the novels of Phillis Oppenheim, who dropped individuals down deep wells if they were thought likely to embarrass the Foreign Office. I then explained to Hayter why at the first meeting we had strongly advised that TASSOEV should be sent back. He agreed with our view and said he did not know why Orme Sargent had taken up the attitude he had, unless it was due to some remark of Malcom Cumming's which had been passed on to him by Aubrey Halford. The remark was that M.I.5 had to safeguard its own interests, but the force of it, of course, depends entirely upon the context in which it was made. I cannot see, however, that in any context it could be regarded as unco-operative.

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20th May.



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The Minister of Defence, through General Hollis, is excited about a meeting of the British Soviet Society to-morrow, at which a Major BROWNING, late Assistant Military Attache in Jugo-Slavia, and a Mr. Stanley FORMAN, the Secretary, late Int. Div., Germany, are to be the speakers.

I arranged with Burt to have the meeting covered and told Hollis's P.A., Captain Beer, that we knew all about the Society which was Communist controlled, and that we would arrange for S.B. to cover the meeting. I also talk him about BROWNING and FORMAN, who were both known to us as Communists.

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22nd May.

We drafted a circular note for the J.I.C. on the subject of D. Notices, as there still seems to be some misapprehension as to how it all works. Suggestions have again been put forward that we should exclude the "Daily Worker". We have pointed out that if we did so they would be bound to get a copy of the Notice from one of their contacts in the bourgeois press, and that they would then think themselves free to publish anything and expose the whole system.

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We have made it clear that D. Notices system has no legal force behind it; it is no more than a Gentleman's Agreement. What is published, however, is always subject to a prosecution if it contravenes the Official Secrets Act.

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We have drafted a letter for the D.G. to send to Orme Sargent, explaining our attitude in the TASSOEV case. If he doesn't tender some form of apology I shall think worse of him than I do now.

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24th May.

Gale, who is going as S.I.M.E. representative in Greece, came to see me. He has been doing a course in this office for some weeks. He seems a sensible kind of person and is a fluent Greek speaker. I suggested to him that he might exploit Wickham.



He said that he knew Wickham and that he had found his officers helpful. His main work will be with the Greek Aliens Department.

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Parry, the outgoing D.N.I., gave a lunch for his successor, Admiral Longley-Cook, who incidentally is a great personal friend of Peter Reid. He was full of praise for Peter, who had apparently been somewhat unlucky, owing, firstly to his specialised and expert knowledge in signals, which had kept him down to Staff jobs, and secondly because when given the latest Cruiser, DIDO, she was immediately laid up owing to the cuts imposed by the Admiralty. Peter was transferred to the CLEOPATRA, which is, comparatively speaking, out of date. It was then found that this was only due to a clerical error and that he might have remained in command of the DIDO. However, Longley-Cook thinks that he is absolutely brilliant and that he will go right to the top. He said that he had got everything.

I liked Longley-Cook very much.

I had quite a long talk with the D.N.I., who is taking over the Indian Navy - I think with slightly mixed feelings, although the job will obviously be an interesting one. It will be uphill work as it has never really recovered from the Mutiny. I told D.N.I. as much as I could about the security position, of which he was very conscious. He is very anxious to get matters improved. I told him about U'ren, with whom he said he would get into touch on arrival in Delhi. I pointed out that as long as Krishna MENON was here, the whole security position would be vitiated. I saw no harm in his telling the Indians, but suggested that he should seek U'ren's advice before putting it across.

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Burt brought over Major Du PLOOY, who is Head of the C.I.D. and Special Branch in South Africa. Du Plooy has brought over ten men who are doing a course at the Yard. He is very anxious that two of them and himself should spend some time with us. He arranged to set aside three days for talks with officers here, and he has decided to remain on in order to attend our course for East African Police officers on the 28th June to the 9th July. He seemed very anxious to collaborate closely with ourselves.

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25th May.

For Minutes of D.G. Meeting held to-day, see folder held by D.G. Sec.

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At the Appointments Board to-day we discussed various postings overseas - Southern Rhodesia, West Africa and Ceylon. Certain soundings have been taken.

'C' ranx me up about arms traffic. The Foreign Office, having seen certain material, were anxious to know who was handling the matter.

I told 'C' that we were dealing with it, within limits: that we had two objectives, (i) to prevent illicit export. - We had been successful in taking preventive measures in two cases to Pakistan and one to Hyderabad, and that we were watching the Middle East. (ii) Apart from this, we thought that there was some advantage in knowing the way arms were moving. I reminded 'C' that we had done this jointly for many years in the past with quite useful results. I made it clear, however, that we were not in a position to cover this matter to our satisfaction, owing to limitations of staff.

26th May

The J.I.C. to-day was of unsurpassed dreariness!

Hollis has drafted a letter to Winnifrith, on the question of bringing under the P.M.'s ruling candidates entering the Civil Service for the first time. A particular case in point is a man who was working with some electricity firm and is wanted by the Ministry of Supply as a permanent civil servant. He is a member of the Communist Party. It seems absurd that in such a case the man should be told.

General Matthews, who is going out as G.O.C., Hong Kong, called. I gave him a rough sketch of the organisation, particularly of S.I.F.E. and its purpose. He was pleasant and co-operative.

27th May.

Colonel Ransome, the new A.D.N.I., is making a tour of the office. He was formerly S.O.I. at Capetown during the war. He is a nice enough chap, but I did not feel that he was hoisting much in! I am afraid that our experience of Marines on that score is not a very good one. His predecessor, Phillips, is joining Neville, now Major-General commanding Marines, as his Staff officer. As long as neither of them have anything to do with intelligence this may be all right!

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28th May.

At the J.I.C. to-day we discussed once more the question of Attaches in Moscow.

Pendred said that he had obtained some extremely useful photographs of the May Day Parade, taken from the top of the Embassy. These were handed round for our inspection. They conveyed nothing to me! He also said that, by putting off some attachment to the Ambassador's wireless set, he had been getting very valuable monitoring reports by Russian intercom. Not only did he wish to keep both his Attaches in Moscow, but he wanted the additional services of an interpreter.

'C' mentioned a Stationery Office publication called "Science in War", which apparently disclosed GLINT. Nobody seemed to know why this had happened, but enquiries are being made.

Hayter said that the French were being difficult. They are apparently nervous about the setting up of a Government in Western Germany, which they feel will further antagonise the Russians: they even believe in the possibility of a Russian attack. The J.I.B. were asked to supply certain data, which it was hoped might convince them that there were no moves at present by Russia which would indicate that they had ~~an~~ immediate aggressive intentions.

The Air Ministry are pressing the Foreign Office to agree that ex-members of the Czech section of the British Air Corps should be encouraged to come here and rejoin.

Gardiner is to replace Gladdell as Secretary of the J.I.C.

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I lunched with Art (Thursdon). He is a little bit foxy about what he is doing. I asked him whether he was still a member of the old firm. He told me that he had in fact been sent over here on a special assignment, but that his main interests now were in agriculture!

He said he would quite enjoy it if such an arrangement were made: on the other hand, he did not wish to have any further permanent employment in intelligence; he thought it was too frustrating - one re-organisation followed on another, things never seemed to settle down.

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 Bricage came to see me about the Lab. He thinks that there ought to be a understudy for Hedger, at a salary of about £800 a year, and another assistant. He thinks that if we offer less, we shall not get anyone satisfactory, since there must be some

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compensation for what is virtually a dead end. He will keep his eye open for someone suitable.

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31st May.

For Minutes of D.G. Meeting held to-day by D.D.G. see folder held by D.G. Sec.

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1st June.

I went to see the D.M.I. on two matters. He had made a suggestion at the J.I.C., which was to be considered by the other Services, that Communist lecturers should not be allowed to talk to the troops, and that anti-Communist lecturers should be recruited.

I told him that we had, in fact, been vetting for A.B.C.A. for eight years, and that as regards anti-Communist speakers we saw certain dangers. Such speakers would find it difficult not to be drawn on to the ground State Socialism, which was basic to the programmes of both the Second and Third Internationals. There was practically no difference except in the methods by which the result was to be achieved. If there were anti-Communist speakers, there might be a demand for anti-Conservative speakers. Lastly, if the subject became a matter of discussion between officers and men, it was our experience that the men always knew a great deal more about it than the officers!

D.M.I. was grateful for the advice, and said he would give it careful consideration.

I then talked to him about the Stephens case at some length. He knew quite a lot about it and was as shocked as we had been. He agreed that it was a little short of disastrous, and he fully realised that a great deal of mud might be thrown at the administration, which would not improve our stock either with the Germans or the Russians. He could not tell me whether all the proceedings were to be held in camera, but he quite understood the point of view of the Defence, that they could not agree to the statement for the Prosecution being made in open Court, and the cross-examination of the Prosecution and the Defence being held in camera. He agreed that the best for all would be to hold the whole proceedings in camera, but he did not know whether this was legally possible. He was quite clear that there was no prospect of withdrawing the case at the present stage.

I had previously spoken to Hayter, who told me that the whole of the dépositions had been carefully studied by Pakenham, and that they and their implications had been the subject of a lengthy discussion between Pakenham and Bevin. It therefore seemed to me



that there was no point in discussing the matter further with Bridges, as had been suggested by Dick Butler. I rang him up about this and we agreed.

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2nd June.

Du Plooy and two other members of the South African Police are doing a short course here. I talked to them about the organisation and purpose of the office.

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3rd June.

The D.G. telegraphed from Washington to say that U.S.C.I.B. would only agree to Chifley being told the source of the information about the leakage in Australia. He had not considered it advisable even to suggest that Evatt and Dedman should be told. Others could be given the names of the individuals mentioned in the texts of the deciphered telegrams. We were not authorised to say that we had obtained the information from the Americans, and that our previous reticence had been due to our not having obtained their clearance.

We discussed this telegram and replied to the effect that we did not feel that we could very well go back to the Australians unless we could disclose the source to both Evatt and Dedman. We pointed out that we had already passed certain details to Longfield Lloyd and it seemed to us that a return visit would only increase distrust and suspicion unless we could be completely frank.

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I had a meeting with Dick, Robertson, Scherr and Kellar about the Jewish Intelligence Organisation and our responsibilities for investigating its activities.

Dick felt that it was more a Middle East matter, but that we should pass on anything that we happened to get here as a by-product.

I said that I felt that until we were more certain about the shape and objectives of the organisation, we ought to continue enquiries on the present lines, the more so since it was in this country that we were more likely to get informants than in the Middle East, where our sources would dry up with the termination of the Mandate.

After a good deal of discussion, it was finally agreed to adopt this course for the time being.

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159.

McDonald, formerly one of our officers in the Caribbean, came to say good-bye. He has got a more lucrative job in Unilevers.

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I had a meeting with Dick, Graham Mitchell and Hollis about Communists and Fascists in the Civil Service. The three advisers feel that a charge can only be preferred if a man is a member of the Communist or Fascist Party, or associated with it. He must be charged under either one or the other. If he is charged with being a Communist and this cannot be proved to the satisfaction of the advisers, the case will be dismissed, even though it may be apparent that he is associated with the Party in such a way as to render him unreliable. Membership of the Party is to date from the 15th March, when the Prime Minister made his statement. This means that we can only charge people in future with association.

4th June.

After the J.I.C. to-day, Pendred told me that he was worried about being housed in London. I told him that to the best of my knowledge this was a matter

He also told me about one of his technical draughtsmen, who had been doing work out of hours for the Editor of the "Aeroplane Spotter". This he had put a stop to. The man had then told him that the Editor had certain photographs which the Americans had taken of Russian aircraft, which he was intending to publish. Pendred thought this most undesirable.

I told him that his only course was to talk to the Editor and try and persuade him not to publish. There is just a possibility that the draughtsman might have supplied these photographs, which are also in possession of the Air Ministry, and had given this warning in order to cover his own activities.

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The D.G. has replied to our telegram, saying that he does not agree that there is no case to go to the Australians, and that if Hollis does not feel sanguine he is prepared to go himself. He says that he did not know that we had already given information to Longfield Lloyd. Hollis says that he told the D.G. about this, both in Malaya and here. The D.G. wants Hollis to go out immediately.

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At the Appointments Board to-day it was agreed that Patterson should be earmarked for the D.S.O. post at Salisbury. Meanwhile, I would write to the C.R.O. and ask them whether the change of Government was likely to affect our relations with the South African Police.

I told 'C' and Travis about the D.G.'s telegrams from Washington.

5th June.

Burt tells me that du Plooy is rather anxious about his own position, since he was in a large measure responsible for the enquiries into various renegades, who have now come into power with Malan's Government. He has friends, however, amongst the Nationalists and does not think that he will be dismissed. He does not know about Palmer, who apparently got office in view of his relationship with Colonel Villiers.

6th June.

C.C. Lanes came in to pay a friendly visit.

14th June.

I returned from a week's leave this morning.

Winnifrith rang me about a Parliamentary question by Rayner, a Conservative, who suggests that the Government should publish a list of those organisations which Civil Servants would be well-advised not to join.

I said that my instinct was that this was a question to be avoided, as it would inevitably lead us on to dangerous ground. We should be called upon to prove that this or that organisation was under Communist control, with all the usual consequences. I said that I had thought the Labour Party proscribed certain organisations, but that I would make enquiries. I

I spoke afterwards to B.L. There is a list of organisations, proscribed in June 1933, which is largely out of date. Since then



the only organisation which Labour Party members have been told not to join is the British/Soviet Society.

I passed this on to Winniffrith and suggested that the question should be avoided, possibly by some statement to the effect that membership of these organisations was not solely confined to Communists or Fascists and that they often changed their name and policy. It might be added that in any case each case would be treated on its merits and would depend to a large extent on what form of activity the Civil Servant took within the organisation and the mind of members with whom he associated.

Dick White and Cumming talked to me about a question put by Emrys-Hughes on the subject of Rugby Mansions. I suggested that we should reply that TASSOEV was housed there temporarily during his stay here as a refugee, and that Mrs. Wiggins was the housekeeper. I gathered that Shinwell was not very anxious to answer the question. I therefore spoke to Sir Eric Speed who said that he would look into the matter.

I telephoned 'C' to tell him that we had had a telegram from the D.G., saying that U.S.C.I.B. had turned down the proposal that Evatt and Dedman should be informed about the source of the leakage and also the suggestion that we should explain to the Australians that we had had to get a clearance from the U.S.A. before passing the information on. He and Hollis were seeing Marshall with the Ambassador, in order to inform him of the position. Hollis is returning by air as soon as possible, and the D.G. comes back after a visit to Canada. The visit to Australia is off.

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For Minutes of D.D.G. Meeting see folder in D.D.G Secretary's tray.



15th June.

Charles tells me that he has heard from Charles Russell that the STEPHENS case has opened quite satisfactorily and that the court are adopting a fair and impartial attitude towards the defence.

Iris Marsden looked in. She has got a job with U.N.O. in Paris.

Maxwell telephoned me and said that Henderson, the Counsel for the Prosecution in the STEPHENS case was over here and that he had Sir Thomas Barnes of the Treasury with him, and that the latter was anxious to get hold of Sir David Petrie as a witness for the prosecution; could we say where he could be found. I gave them an address to which they have telegraphed. There is apparently a general flap. I gather that the Counsel for the Prosecution is by no means satisfied with the case, though what he thinks he is going to get out of Petrie I cannot imagine. Dick thinks that it may be that he sees a possibility of the whole case recoiling on the heads of those who have brought it and that it is therefore necessary to get hold of someone who will assist in putting a stop somewhere in the chain of things. If, for example, Petrie were to say that the responsibility for Camp 020 was left entirely in STEPHENS' hand it might help the prosecution. This is, of course, what Petrie will not say. He will say that he was down there constantly and that he regarded himself as responsible to the Home Secretary and D.P.W.

I discussed with Alec Kellar and Patterson the curriculum for the East and South African Police officers who are to attend a course here. I think that we should, if possible, avoid giving them a blue-print; that we should not discuss in detail our technical facilities and such matters as secret ink; that we could tell them that powers of censorship were inherent in the office of Secretary of State, and that these powers could be applied in special cases by interception of correspondence and telephone conversations.

Burt rang me up to say that he had a Baron van Heeckeren with him from the Dutch Frontier Police and would like to see me as he was concerned with counter espionage. I told Burt that I would try and find out a little more about him.

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16th June.

I attended the J.I.C.

At the Appointments Board today it was decided to take on who has a knowledge of Russian. He is a regular naval officer and at present employed in L.C.S. where he has shown considerable promise. We have also taken on a man called

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of the Indian Police whom I did not see. The question of Tolson is in abeyance pending an opinion from George Jenkin.

~~See envelope for talk~~ 17th June with ~~Baron van Haeckere~~

I spoke to Helsby the P.M.'s Secretary about the letter in reply to the P.M. which has come in from Chifley, which deals with the Australian leakage case and the measures he is proposing to take. He complains that he has not been given very much to go on and says that enquiries both in the Ministry of Defence and External Affairs have been negative. He then goes on to say that he is satisfied that in so far as C.I.B. and the police are able to detect no Communist is employed in a position where he can have access to top secret information. He says that new intake is being vetted and that a re-vet of all persons with access to highly confidential information is being made. None of these measures of course has any reality since vetting is no good unless you have an adequate set of records against which to carry it out.

I asked Helsby if he could stall his reply until I had had an opportunity of discussing the letter with C.R.O. who were already in the picture. I think that they might wish to include in the answer some proposal about security talks with Dominion Prime Ministers over here in the autumn. Helsby had no objection to this.

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There are two awkward questions by Emrys Hughes and Gallagher to the P.M. about the D.G.'s visit to America, and in particular to Mr. Hoover. They want to know the D.G.'s position and salary. The D.G. was gazetted as a Director on the staff of the C.I.G.S. and his salary is paid by the War Office and could therefore be obtained from the estimates. It may therefore be necessary to give it. As regards his position and visit to U.S.A. it does not seem to be necessary to say more than that he is, as stated, a Director in the War Office, and that he was in the U.S. on official business.

T.A.R. and Marriott came to talk to me about a Czech case, ZAKPAL, who has been interviewed and his rooms have been searched. He has made a confession, although he says that all the information he communicated was culled from the newspapers. This we believe to be correct. He passed his reports to one Hampel who is an



official in the Anglo-Czech Friendship Bureau and Hampel has passed them to the Military Attache, who is now a defector having resigned his post. I said that Hampel ought to be interviewed, but I agreed that the case was hardly one to bring into court. There was a technical offence under the Official Secrets Act, but we are apt to look ridiculous if the Defence say that all the information was in the newspapers.

Henderson, late D.S.O. in the Caribbean looked in. He is now managing Bill Stephenson's hotels in Bermuda. Everybody seems to be in the venture, including Bill Donovan, late of O.S.S.

I rang up Archer to tell him about the Chifley letter and the D.G.'s visit. I think we ought to have a meeting before the P.M. replies to Chifley. This is being arranged for Tuesday. I also told him that we were proposing to go ahead for the appointment of our D.S.O. in Salisbury without waiting for the comments of the British High Commissioner in South Africa about the effect of the recent elections on the South African police. It is important to know his reactions as one of the principal objects of appointing a D.S.O. in Salisbury is to get closer to the South Africans.

I saw Curtiss, the Assistant Commissioner of Police in Uganda and gave him a talk about the office. He said that it was extremely valuable for him to know what we were doing, and he entirely agreed with me that although much of what went on in places like Uganda was indigenous there was always a possibility that some foreign power might start working on local subversive movements, hence the importance of having these movements well covered. He said that in Uganda things were apt to move very quickly. Trouble blew up almost from nowhere. If natives heard of strike in one place they immediately thought that they might be missing something if they did not go out on strike themselves, whether they had any reason for doing so or not. He told me that he was getting an Aliens Order which would compel all foreigners to register. He did not know whether Kenya would succeed in getting one too, but he hoped so.

#### 18th June

At the J.I.C. today Hayter confessed to the Ds of I that he had expunged two recommendations in a paper which had been discussed by the Deputies and had to go up to the Chiefs of Staff immediately. The paper dealt with the down-grading of India and Pakistan to category B. A.C.S.I. supported by the other directors felt that a principle was involved, namely that any agreed paper should not be altered by any one party without reference to the others. Hayter said that he fully accepted this, but as the causes were political and there was no time to refer back, he took the step that he had. A.C.S.I. produced reasons why one of the paras should not have been deleted. These seemed to the meeting to be valid. It struck me that there was a slight feeling of resentment on the part of the Ds of I that Hayter had taken this action, and that they intended to see that their rights were preserved.



110.  
There was a long discussion with J.S.S.C. who have to plan an exercise and are unable to get any facts on which to base it. Both Ds of I and the Planners, who were present, felt there were considerable dangers in such an exercise, and that on no account should our own figures be produced. This was agreed, and J.S.S.C. were told to apply for figures, fictitious or otherwise to training branches of the Services. It was also agreed that they would make it clear to the course that all figures were fictitious.

Margot Huggins has returned from Singapore and is taking a holiday until September.

I saw Victor Westgarth at the War Office. I felt extremely sorry for him. He has just done 9 months imprisonment on a fraud charge for which he was really not responsible. He had been to the Ministry of Labour who had told him that they could not find him any employment in a position of trust. I said that I would do what I could personally to get him a job. Meanwhile he has jointed up with an ex-prisoner colleague who deals in scrap metal. He did not want to do this, but had no alternative. His mother has debts outstanding of about £60.

21st June.

Dick and Hollis talked to me about the difficulties which we are running into in connection with the purge. It arises from the fact that the three services, the Foreign Office and the Ministry of Supply will categorise whole departments as secret. They are putting forward cases about which we have informed them in the past, but which have never been hotly pursued because the individual was not really employed on secret work. These cases will, of course, be turned down by the Board when any further enquiry will be difficult. The alternative is for us to re-investigate all of them and this will take an enormous amount of time and labour. On top of this the M.O.S. are asking us to vet 20,000 industrial men in their outstations and say that we shall probably get another 80,000 from the Services.

At his request I went to see Harold Scott with Howe. Scott has been attending a conference in Paris organised by Boursicault, head of the Surete, which was attended by representatives from Belgium, Holland and Luxembourg. The idea was to have a general interchange of Communist information and individual Communists. Scott had received certain documents with photographs and details which we are examining. He wondered whether we should send a periodical report, and possibly a list of prominent Communists. I explained to him all the complications of liaison with the French, their insecurity. Apart from this I did not think it was a good idea to send them details of our Communists in the form of a list. Inevitably such a list would be distributed all round control points and would ultimately leak. This might be extremely embarrassing. Howe agreed. I said that I should like to talk the matter over with M.I.6. and I would let him know the answer. What I shall try and ascertain is whether

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the details given to Scott have reached either us thro  
S.D.E.C. This is, on the whole doubtful, owing to the bad  
relations between S.D.E.C. and the Surete.

For minutes of D.D.G. meeting see folder held  
by D.G. sec.  
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I am arranging for the D.G. to be given the parliamentary  
questions and answers about himself before he comes ashore in case  
he is picked up by the press.

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It is to be hoped that we are in no way involved.

Spencer tells me that the War Office have sent a  
telegram en clair to India about one of our girls who is joining  
U'ren and is referred to as M.I. Staff. This is a gross breach  
of security on the part of the W.O., and I hope will have passed  
unnoticed by the Indian authorities who may become suspicious.

Hollis and I saw Bridges about the categorising of whole  
departments as secret. He was extremely sympathetic, but neither  
he nor Winnifrith think that there is anything to be done at  
the moment. They thought that the obvious embarrassment that  
would be caused to Ministers would, in the long run, bring about  
a change. Meanwhile, if our burden became absolutely intolerable  
we are to let Bridges know.

22nd June.

At the D.N.I.'s request I went over to see Admiral Palliser,  
late C-in-C East Indies. He asked about the position with regard  
to D.S.O. Ceylon. I told him that we had had a number of  
difficulties. Forst of all we were asked to wait for the new  
Constitution, then for the Prime Minister's approval of the  
appointment, and finally the approval of the High Commissioner who  
was worried about having a D.S.O. on his staff. I said that I  
thought these difficulties had been finally overcome, and that  
we were proposing to appoint an officer as soon as we could find  
someone suitable.

He said that he had discussed the position with Winterborn  
and on Winterborn's suggestion had said a word to the High Commissio  
er with a view to persuading him that there was nothing derogatory  
or dangerous in having a D.S.O. on his staff. He thought he had  
been successful in persuading the High Commissioner about this, but  
he did see his difficulty as at the moment he only had a staff of  
one. If the High Commissioner was still reluctant to have our  
officer he suggested that he might have the cover of an additio  
S.O.I. I said that I thought the matter was now clinched and



clinched and that it was only a question of our finding someone suitable to take over the post. If, however, there were further difficulties we should be very glad to take advantage of his suggestion if the D.N.I. could make the necessary administrative arrangements.

Admiral Palliser thought it was important that we should get someone out as soon as possible since, in his experience, it was a good thing to clinch an arrangement of this kind before there were any changes in the personnel of the Government. He had a good opinion of the present Prime Minister, although he said that he was not too discreet. He did not think, however, that he was a very good life.

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Supt. Clogger, late of the Palestine Police, came to see me about employment. We had it on record in the file that Catling did not think him suitable for employment in the Security Service, but no reasons were given. Clogger has been more than 10 years in the Palestine Police and speaks Hebrew. I think he is of Jewish origin. I told him that we had nothing here we could offer him, but that if I heard of any suitable employment I would let him know. He has quite a pleasant personality and has certainly had considerable experience.



23rd June.

The D.G. has returned from America and has seen the P.M. who has replied to Chifley thanking him for his letter and saying he will discuss the matter when Chifley comes to the U.K.

The D.G. had a meeting in the afternoon with Orme Sargent and Hayter when it was decided to send a cable to Washington requesting the Ambassador to find out whether Marshall could now give an answer to the proposals made to him by the D.G. and the Ambassador. If the reply was negative it was proposed that Kevin should send a telegram to Marshall pointing out that a complete impasse had now been reached. Either a certain risk had to be taken in informing Evatt and Dedman and giving particulars which would enable the Australian authorities to carry out investigations or we should have to face the fact that discussions with the Dominions on matters of Imperial defence, and indeed discussions in which the U.S.A. are bound to be involved, would have to cease.

I attended the J.I.C.

Burt came over to see me. He said that he had learnt from du Plooy, the South African, that the Broederbond and the Ossewa Brandwag were now recognised bodies in South Africa and that all those in the police who had been associated with these organisations and dismissed by the previous government would now be re-absorbed. He thought that de Plooy was perfectly straight, but he could give no 100% guarantee. He certainly felt that if it was a question of his career he could not be regarded as entirely reliable. He had many friends among the nationalists and should survive the present regime. Personally, he had confidence in du Plooy.

Roger and I sent over to see Archer. We explained to him the Australian situation. Archer seemed to think that if we got a negative answer from Marshall we should have to consider breaking faith with the Americans. I said that this would be a very difficult matter as there were wide issues at stake. I shall, in fact, oppose it strongly if the issue comes up. There seemed to be some hope in the situation due to a move in Washington to down-grade the integrated Australians to 'Restricted'. This would probably be laid at our door, but we should deny any responsibility and say that the Americans clearly felt the same as we did. This might, in fact, help the Australians to realise that there really was something behind our apprehensions in regard to leakages in Australia.

24th June

M.E. and Marriot etc., came to see me about the case. I told them I had seen Hayter after the J.I.C. meeting yesterday when I explained to him the two cases, firstly that of which did not seem to present much difficulty as he had made a voluntary request through his mistress

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to the American Embassy to be given right of asylum, and secondly the case of Hayter had grave doubts about our proceeding with the case and said that in any case he would have to consult Orme Sargent and possibly Bevin. He did not think that either of them would agree. Before doing so he would see Courtenay. This seems to raise quite serious issues. If it is desired to obtain defectors here ~~xxx~~ the initial move must be made by someone in official circles who knows the potential defector fairly intimately and in whom the defector has confidence. This obviously involved certain risks and unless the authorities are prepared to be tough and to say that they know nothing about it they will have to make up their minds that any form of provocation on the matter of defection in this country is out of the question.

We also discussed the case of It was decided that through Gimperman and his mistress, should be told that his visa application for the U.S.A. might take some time, and that meanwhile he might regularise his position in this country by an approach to the Aliens Branch.

I subsequently saw Maxwell who agreed to being told that he could go to Paice. Meanwhile, we have learnt that MILOZOROV's office is aware of some scandal in connection with and may therefore be on his tracks. It is important therefore that should make a voluntary declaration to the Aliens Branch before we become too deeply involved. There can then be no question of an attempt to suborn him.

Brooman White wants to talk to Kirby Green about making an approach to one of the pilots who is taking aircraft to Palestine. I have agreed to his doing this.

I saw Sir Harold Scott and Howe again and returned to them the documents which had been handed to the Commissioner in Paris by Monsieur

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I explained that was trying to build an empire of his own and that there was hot rivalry between him and the S.D.E.C. Scott was evidently in some difficulty. In view of his reception in Paris and the documents which he was given he did not wish to appear wholly unco-operative; the more so since this might react unfavourably on his relations in regard to police matter. He proposes therefore to send an interim and noncommittal reply. Meanwhile, he would consider the possibility of letting Boursicault know the rough lay-out of the Communist Party and its associated bodies. He would say that in regard



to the movement of communists enquiries shows that this was confined to a very small number whose names were more or less household words, that if the Surete had information about others who were visiting France and would let him know their name he would ascertain what was known about them there.

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showing

This should have the effect of  
that we were all speaking with one voice.

Dick Butler came to tell us about the Stephens case. I gather that up to the present everything has gone well. He said that Henderson the Counsel for the Prosecution had rather lost his head owing to the weakness of his case and seemed to have a bee in his bonnet that he was designed to unearth some frightful scandal in the Secret Service, hence his visit to this country when he had plunged about in high circles.

At Maxwell's request I went over to see him and Hutson of the Home Office on the question of naturalising Communists. I think he is more or less persuaded that the test, as in the case of Civil Servants, should be a loyalty test and that where we can show that an alien is either a member of the Communist Party or associated with the Party in such a way as to cast reasonable doubts on his reliability, a naturalisation certificate should not be granted.

We also discussed the question of the naturalisation of Zionists. Maxwell had before him our two letters on this subject. He was reluctant to regard a Jew as ineligible for naturalisation on the grounds that he was interested in the establishment of a Jewish State in Palestine. He would not necessarily, therefore, regard a Jew who had given active assistance to illegal immigration as ineligible. He did however draw a distinction between Jews of that type and those who had been definitely associated with terrorist activities. He thought that if we could show that the Revisionist Party as a matter of policy was giving active assistance to terrorists there would be grounds for excluding members of that Party from British naturalisation. I said that there was considerable evidence that the Revisionists had been supporting Irgun and that I would let him have a note on the subject. He then referred to evidence in certain cases which seemed to be of a negative kind; one of them was that of a man called PHANDEL who was an associate of BELLA and PONIEMUNSKI. He seemed to him to depend to some extent on what the nature and frequency of the association was. Was there anything to show that the connection was either social, political or commercial? I said that it was possible that we might be able to answer these questions, but that we were scrupulously careful not to go further than the evidence would warrant and that we could probably say no more than we had already. Hutson thought that in cases of that kind it might be helpful if they could call upon an M.I.5. officer to discuss the case with them and go into a certain amount of detail which he quite understood we should not wish to put on paper. I said that I could see no objection to this. Maxwell did not feel that he could recommend to the Home Secretary that he should hold up all cases of naturalisation of people with Zionist affiliations until the position in Palestine clarified itself. He hoped that in the course of time we should be dealing with a



friendly state. If however Israel went communist or came definitely under the domination of Russia we might have to take a different view.

Maxwell then talked to me about the STEPHENS case. It seemed that in trying to get Petrie for the prosecution Henderson wishes to counter any attempt by the defence to say that the methods adopted by O20 were fully justifiable and that for the same reasons similar dubious methods employed in Germany could equally be justified. This is, of course, precisely what the defence are not going to say. Petrie I gather has reluctantly agreed to come if no one else can be found. Maxwell is sending me a letter from Sir Thomas Barnes in which he asks for alternative suggestions.

25th June.

At the J.I.C. today I spoke to the D.N.I. about the proposal to employ anti-Communist speakers in the Navy. I pointed out to him the same objections as I had raised with the D.N.I. previously. I also spoke to Fawtry as far as the Air Force was concerned. D.N.I. said he could not see why the Communist Party was not declared illegal. I think I convinced him that provided it did not get out of hand it did provide something of a safety valve.

We discussed the question of reciprocal treatment for Russian and satellite service attaches. In Russia there is no rail travel without permission. Attaches can travel by car as far as their petrol will take them. They cannot fill up outside Moscow; it is not possible to get accommodation outside Moscow. It was felt that Attaches should draw such petrol as they could in jerry cans and pile them into the back of the car. I suggested that the only way of getting over the accommodations difficulty would be for them to be supplied with caravans! If we insist on reciprocal treatment here we shall go further than the Russians go in Moscow and encourage them to be more troublesome than they are now. The D.N.I. wanted a pro rata reduction, but withdrew this proposal when he was told that it might lead to a total abolition of Attaches on both sides which would still enable the Russians to use the Trade Delegation. As regards the satellite countries treatment is to be reciprocal, in other words there is to be freedom of movement but no invitation to demonstration.

Hayter told us that Sokolovsky had asked for the surrender of EXCISE on the grounds of misappropriation of funds.

We then discussed the question of Benelux security with a representative of the Planners and with an officer who is discussing military matters with the Benelux countries. He wished to table a paper prepared by the Planners which gave the prepared strategic concept. The Committee modified this in certain respects, particularly with regard to the date 1957 and certain statements about atomic warfare. It was stated that the French were quite prepared to consider this document and indeed any other <sup>document</sup> at 56 Whitehall without taking them out of the country. It was however quite clear that these measures would not ultimately solve the



problem as the Benelux countries would be forced to plan in detail for possible eventualities. They would then need a date and their instructions would have to go down to the lower levels and even, for example, to aircraft factories which in France were thoroughly penetrated by Communists. The recommendation was made that this question should be considered carefully in detail. It was also proposed that the L.C.S. should proceed immediately with some form of cover plan on the assumption that there would be a leakage.

Cumming came to tell me that two further questions for the S. of S. for War about Rugby Mansions and Mrs. Wiggins. Some sort of noncommittal answer to being prepared. Maxwell thought it was better to answer the questions than to say that it was not in the public interest, since the latter course might lead to the questions being raised on the adjournment.

\_\_\_\_\_ came in to ask my advice. He had been offered a job as P.R.O. in Dusseldorf at 1,500 a year, and had also had an approach from S.I.S. through some female in that organisation. He did not want to go to Germany and wished to know whether S.I.S. were really in the market. I said that frankly I did not know. It was, however, possible that they did require additional staff.

I told Stewart Menzies about the case of one who had worked for George Jenkin in Persia during the war and was now employed by a London firm dealing in furs with the Russians. \_\_\_\_\_ paid periodical visits to Moscow. Jenkin had given particulars about this man before he left the Punjab, but as far as he knew no approach had ever been made. He thought at least that the man was well worth seeing. He was a Latvian Jew, naturalised British. Jenkin believed him to be honest, but even if it were not thought desirable to give him a brief, it would at least be worth someones while to have a talk with him. G. said he would certainly look into the matter.

26th June.

I discussed the parliamentary question about Rugby Mansions with the D.G. He asked me to discuss it with Sir Eric Speed.

28th June.

I saw Sir Eric Speed. I explained to him that if truthful answers were given to the question put down by PIRATIN it really rather opened the door to general enquiries about premises and the officers employed by our Department, and if possible it would be desirable to say that it was not in the public interest to discuss these matters further. Speed said that he thought that the Prime Minister could give this answer, but he rather doubted if it could be given by the Secretary of State. We went over to see

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Mr. Helsby, the Prime Minister's P.A. Helsby said that the Prime Minister did not like Mr. PIRATTIN and might well be prepared to give the answer we desired and would let Speed know in due course. Ultimately the Secretary of State for war was instructed to say that further discussion on the subject was not in the public interest. This was given in the form of a written answer as PIRATTIN was not in the House.

I gave a talk to the East African police officers on the office organisation, the principles on which we worked and the application of these principles to our activities during the war. I explained to them that there was much which they might feel did not apply to their local conditions, nevertheless I thought it might be helpful to them to know the lines on which we worked in case they might come across something which they would now know was a matter of interest to ourselves.

Johnston's assistant at the Foreign Office telephoned me about a libel action being brought about by a Jew named \_\_\_\_\_ against the New York Times. This man's name had been mentioned as assisting to introduce Russian agents into two shiploads of illegal immigrants from Constanza. The Foreign Office had passed the report to the New York Times as they thought that it would make good propaganda in America and cause a realisation of the fact that a left wing Jewish State under Russian influence in Palestine might not be altogether a good idea. The F.O. action, as far as I know, was taken without reference to anybody.

the F.O. are now anxious to give the New York Times chapter and verse in order to help them to defend themselves against the libel action.

For minutes of D.D.G. meeting see folder in D.D.G.'s Secretary's tray.

We had an Appointments Board meeting today. ATKINSON on his return is to go to B.I. There is some doubt about PATTERSON's appointment to Salisbury owing to the chances of his picking up another dose of amoebic dysentery. This is a serious blow as we now have four posts to fill, one in Salisbury, two in West Africa and one in Ceylon.

29th June.

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Manson, who is secretary to the West African Council, came to see me. We discussed various matters in regard to our situation in West Africa. He was most co-operative and is going to do all he can on the question of accommodation. He is quite prepared to give us cover in his own organisation. He was particularly complimentary about Keller's visit. He had read the report which he thought was excellent. He said that Keller had gone down extremely well in all circles. He had a difficult task to perform because the Colonial Governors are not always



easy people.

Noel Wilde came to see me and he told me that the C.I.C. had a bright idea in the deception field. He had suggested or acquiesced in a proposal that Brian Robertson should instruct his staff in the British Zone to look for accommodation for a division. It was thought that this would get back to the Russians and that they would be impressed. Wilde had only heard of this after the event. He saw the D.M.O. who agreed with him that if such a deception was put into force it had better be done properly and a division alerted in this country. Wilde wanted to know what I thought about it. I said that he would have to look a little bit further than this; if a division is alerted here a large number of people would get to know about it, the American Ambassador would want to know what was happening and there would undoubtedly be questions in the House. It was important to know what answer would be given. Would the Foreign Secretary be prepared to say that in the present state of the European situation this was a precautionary move? If he did not the alerting of a Division might be thought to have some bearing on the dockers' strike and the recent reimposition of the Emergency Powers Act. I also said that I thought it was necessary to have some clear conception of what such a division was intended to do e.g. was the idea that it would be sufficient to prevent the Russians from entering the British Zone or was it to be implied that the division would be used to run a convoy into Berlin. What in fact did we want the Russians to think? I gather that Colonel Wilde was going over to see Brian Robertson and he said he would endeavour to clear these points up.

Curry looked in on a friendly visit and told me that his book on the Communist International was nearing completion. I told him it might perhaps be wise for me to get the book cleared. I did not anticipate any difficulty about this as at the present time anything that would assist the cold war would probably be welcomed.

Baker-Cresswell telephoned about the case. He wanted to know whether it was dead. I said that as far as I knew it was dead. The case did however raise certain definite issues which I thought should be thrashed out in the J.I.C. It was abundantly clear that if we were called upon to provoke defection two basic assumptions would have to be accepted in principal; (1) that the person promoting defection would have to be a Government official known as such to the defector; (2) that this Government official would have to be known and trusted by the defector. It would further be necessary that if things went wrong and questions were asked, the Government would have to make some form of denial that any approach was made. In this particular case they would have to say that wife had completely misunderstood Commander Courtney. The F.O. point is that even if such a denial were made the Foreign Secretary would not be

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/prepared



prepared to face the issue in view of the recent trouble about TASSOEV. Baker-Cresswell seemed to be satisfied with this approach to the question.

There is yet another question about TASSOEV and his detention at Hammersmith Police Station. It is for the Home Office to give a reply which should not be difficult.

30th June.

I spoke to Hayter after the J.I.C. today about the case of . . . I told him that . . . was ready to defect but wanted to disappear. He would like a boat half-full to be washed up on the Brighton beach and for a report to be put round that he had been seen going out in it. This meant that if any questions were asked or a demand was made for him by the Russians on the grounds that he had misappropriated funds, it would be necessary for the Government to say that they had no idea as to his whereabouts. Hayter seemed to doubt whether they would be prepared to give an answer of this kind.

Sir Richard Pim, I.C. in Ulster came to see me. He told me that the Civil Service purge had not been extended to Northern Ireland where in fact very few civil servants were members of the Communist Party. On the other hand trade union penetration had gone quite a long way. He left me a note with details of this. He said that there were signs of a certain revival of the I.R.A; three sections and a headquarters have been formed but so far no acts of violence have been committed. The Eire Government seem fairly satisfied largely because most of their bad hats have gone up north. The police in Eire apparently take a poor view of the present Government and do not think it is likely to last. This is diametrically opposed to other views that I have heard but it is of course unlikely that one would get any consistent view about anything that happens in Eire.

I saw Sir Robert Knox about decorations for the civil staff in Palestine. He said that as far as he knew there was no civil list although there was a Military and Air Force list in which Burbidge and Hackett-Paine have, we hope, been included. He said that if we would let him have the citations he would include them in the Civil List if there was one, otherwise he would keep them for the half-yearly list without prejudice to our normal applications.

I saw a representative of the South African Police who wanted a blueprint of the office and a breakdown of the functions of B.1. and B.2. I told him that this rather embarrassed me as was our practice not to give such information. This had stood us in good stead in the past as the Germans had never been able to get anything of a picture of our organisation and how it

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/Joked.



worked. We did not in fact give such information even to our own Departments at home and I had made this clear to the officers of the East African Police who were attending our course. The South African officer said that he thoroughly understood this and had even himself said as much to Major du Plooy. I asked him to make a special point of explaining to Major du Plooy the reasons for this and assuring him that it in no way implied any lack of confidence in himself or his officers.

\_\_\_\_\_ came in to say good-bye. He appears to have several irons in the fire including S.I.S.

I had a discussion with Dick and John Marriott about the case. It was decided that I should see Professor Brunt and show him the report by John Cimperman which indicates a considerable knowledge by \_\_\_\_\_ about scientific matters in Soviet Russia. I thought it was necessary that we should get the highest scientific backing before we made any approach. \_\_\_\_\_ of S.I.S. has said that there was virtually nothing that \_\_\_\_\_ could tell us though when challenged he somewhat modified this view. If Brunt approves we shall proceed with the case and get into direct touch. The Americans have apparently refused to give \_\_\_\_\_ a visa.

1st July

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The D.G. is to see Orme Sargent and the Sigint Board about the Australian leakage case. A telegram has arrived from Washington to say that U.S.C.I.B. now agree and that we can speak to Evatt and Dedman on the same lines as those authorized for Chifley. This in fact means that we can now tell Chifley, Evatt and Dedman that the basis of our information about the leakage in Australia is the interception of one telegram from Australia to Moscow and that we can give the names of the Australians involved. The latter concession might be stretched to the extent of giving the Australians the notes which have been squeezed from the original text, but these imply information received over a period of four years. This would be inconsistent with the statement that the information was derived from one message. Roger would like authority from Washington to say a series of messages. Clearly however U.S.C.I.B. have said "one message" as they think that this may imply a message found or stolen whereas a series of messages would definitely imply a cryptographic break. The D.G. is inclined to say "messages" without further reference to Washington. Hollis points out that if anything were to go wrong in the handling of the detailed information we might well be accused of a breach of faith with the Americans. I am inclined to think that if we go back to the Americans at all they will look into the implications of our request and realising its purpose will give us a flat "no". They may say moreover if this is what you wanted why did not you say so in Washington. It's all very awkward, but I am sure that we must make the situation absolutely clear when talking to the Foreign Office and to SIGINT.



I tried to get on to Professor Brunt and was told by his P.A. that he had walked out until the Ministry of Fuel and Power condescended to give him sufficient petrol to enable him to carry out his duties. He had now been wrangling with them and the Ministry of Defence for over two months.

Tommie Harris rang up to say that he had heard from GARBO that FEDERICO through the old cover address was trying to get into touch with him. FEDERICO and his associates are apparently still residing at the same address where they were visited by GARBO after the war. They have never been repatriated to Germany or interrogated.

Spencer came to talk to me about our mobilisation in the Middle East in the event of Double Quick. We should have to supply about a dozen bodies.

### 2nd July

Dick tells me that \_\_\_\_\_ has turned up at Flory's at Oxford and has asked him for his assistance. John Marriott is to go down to Oxford to see Flory.

I learned the following off the record at the J.I.C:-

1. A paper had been put forward suggesting some modification of our policy towards Spain which would permit the Service Attachés to respond to tentative approaches for assistance being made by officials of the three services in Spain. It was argued that if any trouble should arise on the Continent Spanish co-operation would be of considerable value to all three services and that if something were not done Spain might declare herself neutral in any future conflict that might arise. 'C' said that in recent discussions which he had had with members of the French General Staff they had expressed anxiety about the possibility of Spanish neutrality as it would virtually cut off any possible retreat by French forces to North Africa. Hayter took the view that if this paper was endorsed by the Chiefs of Staff he would feel bound to register his opposition to any move of the kind suggested. He did not think that on the military, naval or air side a sufficiently convincing case had been put forward to outweigh (a) the prejudice of the present Government with regard to Spain, or (b) the harm that a rapprochement with Spain might do to Benelux talks. He emphasised the umbrage that had been taken by Benelux to the American suggestion that Spain should participate in E.R.P. He would moreover advise that the paper should not be shown to Mr. Bevin as it could only have the effect of creating bad blood between him and the Chiefs of Staff. The paper is going forward to the Chiefs of Staff with certain minor amendments.

2. 'C' told me that the Spaniards had got hold of the

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/Russian



Russian clandestine wireless. I think he meant that they had raided one of the stations and obtained the ciphers. 'C' did not apparently think it politic or possible to ask them for the information.

3. 'C' said that the French had told the Spaniards that the Russians were reading their ciphers. He also said that the Russians were reading the French ciphers but we could not tell the French.

4. It was stated that as far as could be ascertained there were no signs of any contemplated action by Russian forces either in the Russian zone of Germany or elsewhere. It was pointed out however that the Russians had sufficient troops in their zone to start operations although they might not be able to maintain an offensive for very long.

5. The D.M.I. said that the War Office had given approval for an M.I. liaison officer in Jerusalem. Hayter said that there was a British Consul in Haifa, but that there was no representation in Tel Aviv as it was felt that this might give offence to the Arabs.

I spoke to Hayter and 'C' and at the D.G.'s request asked that a letter of thanks both to U.S.C.I.B. and to General Marshall for the co-operative attitude they had displayed in the Australian leakage case in allowing Evatt and Dedman to be brought into the picture in addition to Chifley. Yesterday the D.G. first attended a meeting of the SIGINT board and afterwards one at the Foreign Office with Orme Sargent. The SIGINT board agreed to accept U.S.C.I.B.'s offer and at the Foreign Office it was decided that Hayter should prepare a note for the P.M. for discussion with Chifley. The P.M. would tell Chifley that certain messages had been intercepted which were the basis of our information about the Australian leakage and he would also tell him off the record that the delay in giving him this information was due to the fact that we had to obtain American approval. This latter decision has been taken unilaterally by the Foreign Office and as far as I know without the knowledge of the SIGINT board. It has also been decided that we shall interpret the American decision to allow us to communicate the names of the individuals concerned as permission to transmit such details from the original messages as will facilitate the conduct of the enquiry in Australia. It was decided not to refer back to U.S.C.I.B. the question as to whether we should say one message from Australia to Moscow but rather a series of messages as it was felt that this might cause the Americans to close down on the whole project. If we do not say a "series of messages" the particulars that we shall be handing over for the purpose of the investigation will not make sense as various incidents described date from 1944 to 1948 which could clearly not have been obtained from one message.

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/ZEMAN's



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At the Appointments Board today it was decided to send Simpkins to Salisbury, to consult S.I.F.E. about sending [ ] to Ceylon and to tell Magan that Wagstaffe would have to go to West Africa. Meanwhile we would send Busk to the Middle East and suggest the promotion of de Wesselow. It was further decided that we should give no cover name to our new office at Leconfield House, but that we should get Admiral Thompson to notify certain representatives of the press and request them to lay off.

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Burt drew my attention to a report which he had submitted regarding FREUDENHEIM, a communist photographer who works for the Association of Scientific Workers. He says that we might like to know the fact that GURRIN whom we used during the war as a handwriting expert, invariably gives his photographic work to FREUDENHEIM. This matter probably has no immediate significance. If we ever have occasion to use GURRIN again we should certainly bear it in mind.

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Group Captain Stapleton of the Ministry of Defence rang up to say that he had instructions to prepare two memoranda for the Prime Minister in connection with discussions that he would be having with Chifley, one on Commonwealth defence policy and the other on security. He already had a copy of our interim note on Empire security which we had sent to General Hollis. General Hollis would however like to discuss the form of the memorandum on security with the D.G. I gathered that General Hollis intended to make an appointment for this purpose.

I told Stapleton who was evidently aware of the purport of the D.G.'s recent visit to the United States, that basic to any suggestions which the Australian Government might be prepared to take to put their house in order was a well organised Security Service with the necessary records behind it. Such a Service did not exist at the moment and with the best will in the world could not be really effective for a couple of years even if the work was started tomorrow. If the P.M. were to tell the Australians that they must set up an efficient Security Service he would probably give serious offence and little was likely to result. The first thing was to convince the Australians that they really have something to worry about. This, I hoped, was now going to be done.

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Moel Wilde came in. He is off to America and Sanders is being sent to see General Robertson in Germany. Drew is to accompany Wilde.

John Marriott has arrived back from Oxford. Everything has gone extremely well. [redacted] is not in the least apprehensive. He has thought everything out very carefully. He does not think that his return to Russia will have any effect on the fate of his family either one way or the other, but is certain that he himself would be liquidated. He intends to remain in his department and clear up all his affairs so that there can be no accusation of misappropriation of funds. He says that nobody here can question his visits anywhere as he is master in his own house and would not brook interference from anyone except the Ambassador. He has a great deal to tell us and is willing to co-operate to the full.

I met last night at dinner General John Marriott commanding the London District, and a man called TERESCHENKO (phon), a White Russian who has a Norwegian wife. TERESCHENKO was at one time a director of the Kredit Anstalt in Vienna and was there at the time of the Anschluss. He now seems to have many big business interests in which he is associated with Hambro's. During the war he was apparently in P.W.E. or S.O.E. and spoke freely of 'C', M.I.5. etc. General Marriott said that on a recent occasion when he met Anthony Eden, the latter had talked about Captain Butcher's book. Butcher was Eisenhower's P.A. Eden had been surprised to see that Butcher had mentioned an incident of the capture of certain British documents from the body of an officer which had been washed up in Spain and that Butcher was apparently unaware of the significance of this incident which he thought was genuine. Eden thought it was a great tribute to Eisenhower that he had obviously never disclosed the true facts to Butcher. He then went on to say that of course this body had been expressly dropped by the British from an aeroplane over the coast of Spain with faked orders. The reference was of course to plan MINCEMEAT and shows how indiscreet ministers are when they get out of office. A lot of them of course are extremely indiscreet when they are in office.

3rd July.

There are now three notes affecting Australian security being prepared by different departments:-

- (1) a brief by the Foreign Office for the Prime Minister
- (2) a brief by General Hollis for the Prime Minister
- (3) a circular letter for all Dominions by C.R.O.

I discussed this matter with Archer of C.R.O. when

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he rang me up today about the Foreign Office note which he had not yet seen. I said that I thought it might be a good thing if Sir Eric Machtig called a meeting early next week of the Foreign Office, the Ministry of Defence and ourselves to co-ordinate these activities. Archer thought that this was a good idea and intends to speak to Machtig.

Mr. Hewison, who has taken over from Drew in the Cabinet Offices, rang me up this morning about a leakage in the News Chronicle of 1st July which gives a full account of the meeting of the Civil Aviation Committee meeting held at 4.p.m. on 30th June. There was a forecast of this meeting in the Times leader of June 30th and an account of it in the Times of July 3rd. The minutes of the meeting were duplicated late on July 1st and were not circulated until July 2nd. Sir Harold Hartley and Mr. Whitney Straight both visited Lord Pakenham on July 1st, drew his attention to the leakage and denied responsibility. Those present at the meeting were:-

Mr. Dalton	Mr. Douglas Jay
Lord Addison	Mr. Rees Williams, Parliamentary
Mr. Strauss, Minister of Supply	Under Secretary to the Colonial Office
Lord Pakenham, Minister of Civil Aviation	Mr. Lindgren, Parliamentary Secretary to the Ministry of Civil Aviation.
Lord Hall, First Lord of the Admiralty.	Mr. Bottomley, Secretary for Overseas Trade.
	Mr. de Freitas, Parliamentary Secretary to the Air Ministry.

Mr. Roger Makins, Foreign Office.

Mr. Massfield, Assistant Secretary to the Ministry of Civil Aviation.

Mr. F. C. Musgrave, Assistant Secretary to the Ministry of Supply.

Mr. A. E. Woodward-Nutt, Ministry of Supply

Mr. Norley, factotum of the Lord Privy Seal's Office.

Mr. Drew and Mr. Hewison of the Cabinet Secretariat

Mr. T. Paris of the Civil Aviation Department

Mr. S. P. Osborne of the Ministry of Education who was attending the meeting as part of his training for a secretarial job at 10 Downing Street.

Of possible significance is the fact that the News Chronicle drew attention to Dalton's presence and made a suggestion, which I gather is untrue, that he has been charged with looking into the affairs of Civil Aviation.



132.

5th July.

I arranged with Archer for a meeting with the D.G., Hayter, and Group Captain Stapleton of the Ministry of Defence to discuss a brief for the P.M. when he sees Chifley. We have seen Hayter's draft, which is not bad, although it is at least intellectually dishonest. With Hayter's permission a copy is going to C.R.O.

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Horrocks brought me the citations for Ffoulkes and Mary Iachlan, to which I suggested certain amendments. If there is a special list, these will go in. If not, Sir Robert Knox will keep them and include them in our half-yearly list without prejudice to other submissions.

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Hayter telephoned to ask whether we would have any objection to Carey Foster deputising for him on the Deputies' Committee (O. & S), is he were unable to be present. He wanted to do this as the F.O. security had now been placed directly under himself. I said that I would consult and let him know.

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For Minutes of D.D.G. meeting held to-day see folder in D.D.G. Sec.'s tray.

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I discussed with Dick, Horrocks, Harry Allen and F.J. the draft letter to Bridges, drawing attention to the heavy demands on vetting due to the purge (some 300,000 names from the Ministry of Supply involving an additional yearly intake of 50,000), and pointing out that these figures represented three years normal work for the vetting section.

We pointed out that wholesale vetting of this kind was, broadly speaking, likely to defeat its own object. It was agreed that the case should be based on this theme rather than on a complaint that we could not carry out the work. F.J. is making a redraft.

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6th July.

A request has come through from Sir Thomas Barnes for information about Stephens's knowledge of the German language. The prosecution, for some reason, fear that he may deny knowledge of the language. Oughton confirmed my impression that Stephens puts down German in his R. of S. as a language which he knows,



subject to refresher courses, is in fact confined to that of any ordinary schoolboy. He never interrogated in German and, although he seemed to get the gist of certain short replies in German, he never proceeded, to Oughton's knowledge, and always employed an interpreter. In any written communications he always used an interpreter.

I asked Oughton whether if he, Stephens, heard two Germans conversing in the passage he would know what they said. Oughton replied that he undoubtedly would not.

Dick spoke to Sir Thomas Barnes and gave him a reply on the above lines.

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Hayter has sent over a brief to his Minister for the Debate on the adjournment on Thursday when the TASSOEV case is once more to be discussed. The statement is a purely factual one. It seemed all right, with the exception of one point where it is stated that questions in the House by Piratin and others have caused a falling off in defection. It had been previously stated that we were pleased to hear from defectors what was going on behind the Iron Curtain, as information of that kind was hard to come by through normal channels. This seemed to me a bad idea, as it would only encourage Piratins to pursue any other cases in the same manner. I gather that Hayter intends to make some amendment.

-----  
D.G. Meeting. The D.G. and Hollis attended the meeting at the C.R.O. when the brief for Chifley was agreed. After Chifley's visit a letter to all Dominions is to be considered: it will give our general views on Security, explain measures that we have taken here, and suggest a security conference in the Autumn.

-----  
Dick Butler came in. He and Eddie Cussen are coaching Dick White for his evidence in the Stephens case.

-----  
I saw Alan Grogan to-day. The work being compiled by the shadow Censorship Committee is really a blueprint for the next war and embodies all our experience in the last war.

I am certain that it is important that Grogan should see this matter through. It is estimated that the work will be completed by the end of the year. Meanwhile, Grogan is writing a short memorandum on what will be required on censorship lines from this office in the event of mobilisation.

While Grogan himself would be willing in such an eventuality to help us get the organisation on its feet, he would not be anxious



to rejoin the staff as our permanent representative in Censorship.

Grogan will be seeing Mr. Martin some day next week. He sees no point in Martin reading up all the old censorship files, but he will endeavour to obtain for him proofs of the new documents for the purposes of study as they come out.

7th July.

I told Hayter that we did not think that Carey Foster would be a particularly good Chairman for the Deputies' (O. & S.). He said that he would like to give him a trial, and if it did not work he would make a change. He would try to take the meeting himself as often as possible. He said that Carey Foster would not be attending the Security Sub-Committee, but another F.O. representative would be sent.

At the J.I.C. to-day we considered the paper on Russian intentions, capabilities and aims. The Foreign Office put forward a new draft of Annex I of the paper. The meeting decided that they would like time to consider this draft, which may possibly be taken at Friday's meeting.

We then proceeded to consider Annex II, when the draft amendments of all Departments were accepted. The more important ones relate to the new situation created by the split between Jugo-Slavia and the Cominform.

I made a suggestion that a paragraph should be inserted at the end of para. 1 or the beginning of para. 2, roughly on the following lines:-

"It must be assumed that since every Russian holding a responsible position from the age of fifty downwards has been brought up on Marxian doctrines, to the rigid exclusion of all others, the majority would be ready to support their leaders".

I thought this was important because there was a tendency to forget that the Soviet regime had been in existence for thirty years, and that most of its subjects had been completely isolated from the outside world. There therefore seemed to be little chance of any change of attitude in those who from time to time would be replacing the Soviet leaders.

This rather threw a spanner into the works, since it became clear that in assessing Russian capabilities no stock had been taken of the internal position in Russia and the general stability of the regime. This point is, I gather to be considered at the Director's



meeting on Friday. Either the amendment will be ruled out or it will be allowed to stand at the end of para. 1 of Annex II, or a brief summary of the internal political situation would be made at the beginning of para. 2. The paper would, I think, be more balanced if the latter course were adopted.

We are considering the final draft of the letter to Bridges on the subject of the purge and its effect on our work.

#### 8th April.

Dick White has given his evidence at the Stephens trial. He was worried by the trickiness of the Prosecution. He was asked whether he believed in punishment as a means of extracting information. He said "No". Cussan then asked him what he understood by "punishment". He replied that if placing a man in solitary confinement he would consider it appropriate. He was also asked whether any war criminals were interned at Bad Nenndorf. He said that he did not know; he might have said on the dates given to him that in fact he was not at C.C.G. at that time. He was generally appalled by the red herrings that were being drawn across the trail, and the attempts - genuine or otherwise - by the Prosecution to misrepresent the facts.

#### 9th April.

At the J.I.C. to-day Sir Charles Peake, our Ambassador in Belgrade, spoke on the recent Cominform crisis. He said that the document to study was Tito's eight points in reply to the Cominform manifesto, rather than the manifesto itself. The publication of the details contained in Tito's reply seemed to indicate that the breach having occurred, Tito was interested in making it as wide as possible.

The Military Attache, who was also present at the meeting, recounted that the day before the publication of Tito's reply he had seen, from the windows of his house which overlooks the Royal Barracks, the Guard in military formation practicing slogans. In one of them they moved their arms like the piston of an engine, shouting "Express Tito, Express Tito" at an increasing tempo.

Peake felt that the worst blunder that the Russians had committed was to suggest that the Jugo-Slavs had made no real contribution to the war effort against the Germans. There was no point on which the Jugo-Slavs would have been liable to be more touchy and it has had the effect of rallying them almost to a man



in support of Tito.

As to the timing of this particular incident, Peake could give no explanation. It was, however, clear that things had been boiling up for some considerable time. (It may be that Moscow felt that a show-down was necessary before the Jugo-Slav Communist Party Conference, which might have provided a focal point for the dissemination of Jugo-Slavia's point of view and extended the schism to other countries).

Peake thought that there were two main causes of the trouble. Firstly, a clash of personalities, and secondly a divergence of views on foreign policy. On the personalities side, there was every indication that Tito was becoming more and more a Prima Donna. His photograph had even been displayed alongside that of Stalin at a Communist Youth Congress in Calcutta. It might be that the leading men in Russia under Stalin - Shdanov, Malenkov, Beria, Molotov, etc., - felt that when Stalin went the centre of gravity might pass from Moscow to Belgrade, and that something should therefore be done during Stalin's lifetime to discredit Tito.

On matters of foreign policy Moscow and the Jugo-Slavs had for some time failed to see eye to eye. Tito obviously wished to head a Balkan federation, and Dmitrov had already been rebuked for thinking on similar lines. Moscow wished to bargain Jugo-Slavia's interests in Trieste for advantages they hoped to receive elsewhere, while in his assistance to the Greek rebels, Tito had been moved by a desire for a Balkan Federated Macedonia and the power politics of the Eastern Bloc, rather than by international considerations.

Peake said that an incident, which he did not altogether understand at the time, had, in the light of developments become highly significant. In October, 1947, he was at a diplomatic party, when the Secretary of State for Foreign Affairs said to him that after careful consideration Marshal Tito had decided that the visit of an important personage should take place. Peake did not know at first what he was talking about and finally had to ask him to whom he referred. He replied "Montgomery". It now seemed evident that Tito could not stomach the idea of Montgomery going to Moscow and not going to Belgrade.

Peake is quite convinced that even if Stalin were to descend from the clouds in a white robe and say: "What is all this ridiculous squabble about?", or even if there some approach from Tito's side, (both of which eventualities he regards as extremely unlikely), there would be no real degree of confidence between the leaders of the two countries. That he regards as gone forever. This does not, however, mean that Tito will abandon his present Communist policy, except in so far as he may be forced away from it by both internal and external considerations. Peake thinks that he will, if anything, intensify his grip on the country if only to show that his brand of Communism is the right one and that the Russians are the Right Deviationists.

The Military Attache said that the Jugo-Slav Army consisted of 30 Divisions, which were equipped about fifty-fifty with Russian material. They could on mobilisation put about 1,000,000 men into the field.

/Whole Regiments and



Whole Regiments and officers had been trained in Russia; their equipment had been paid for in grain and their training in dollars. He did not think that the Russians could lightly afford to dispense with the advantages of having Jugo-Slavia on their side in the event of trouble, but there did not seem to be much possibility of a coup d'etat by the Army, or indeed by any politician. There was nobody of any standing to take Tito's place, and the majority were behind him. Tito himself was extremely well guarded; he even had someone to taste all his food and drink.

On the economic side, Jugo-Slavia had to some extent been dependent on Albania for oil, up to about 10,000 tons a year. There was now some suggestion of her buying from the Anglo-Iranian.

Tito has 35,000,000 gold dollars in the U.S.A. His payments to Moscow for services to the Army, and on the balance of trade, have been roughly 35,000,000 dinars a month. Recently the Russians had insisted on this money being paid in dollars and there had been a transference of gold through Berne in April last.

Tito appears to have a complete contempt for Albania; which is dependent economically on Jugo-Slavia for about 56% of its imports.

The present policy of H.M.G. is one of detachment and academic interest only. Things are to be allowed to develop in a perfectly normal way and no overtures are to be made. Any demand for inclusion in E.R.P. will be turned down. It is felt, however, that there may come a time when Tito will find it difficult to remain aloof from both the Eastern and Western Blocs.

2. A note on the desirability of collecting as much information as there may be about deception by the Russians was discussed.

I asked what in fact Johnnie Bevan had told Stalin when he went to Moscow before D. Dayl. I gather that he had left a copy of Plan "Bodyguard" and that discussions had taken place with Molotov, Vishinsky and Dekanosov. Two military officers had also taken part and they were now respectively D.M.I. and D.D.M.I. There seems, however, to be some doubt as to how far the Russians comprehended our plans and methods. It was felt that they were somewhat disinterested on account of the fact that their offensive was so successful that deception hardly seemed necessary. They promised to do various things to assist our plan, but there is no evidence to show that they did anything. L.C.S. are going to produce a paper on what they think the Russians know.

I said that as far as our experiences went there were one or two cases, like the KLATT case, but it was very difficult to draw inferences which would be likely to be of any value.

3. Gerald Templer is going to Washington to see General Wedermeier. It has been suggested to him that he should urge Wedermeier to come out into the open with the Australians about their security. I gathered that at the moment no Top Secret information on long-range rockets is going to Australia.



4. EXCISE is to come out into the open. This has now been approved by the Foreign Secretary. The Canadians and Americans are to be informed.

I lunched with D.B. He told me that he was thoroughly satisfied in his relations with Malcom Cumming. He told me that, at the request of Todd, the Military Adviser of the shadow Censorship committee, he was seeing a man called Kenneth WESTMAN, who is the London representative of some political news sheet published in Brussels. WESTMAN says that he is in touch with "a foreign group in London who are interested in anti-Communism". WESTMAN had written this subject up for them. The group apparently had a source which went right into the Kremlin. This is, of course, one that we have heard before. I should doubt whether the source got further than Whitechapel! The matter is, however, of some interest, since Rickthorn, M.P., has asked Ronnie Howe more or less the same question.

The D.G. saw the P.M., but missed Chifley, whom he is to see on Monday. He cross-questioned the P.M. as to what he had said, and the P.M. was definite that he had told Chifley about the American Connection; the origin of the information, and the undesirability of communicating any details by wire to Australia.

I had a meeting to discuss the question of arms traffic with D.C., D.B. and S.L.B. We agreed that it was desirable to get the War Office to appoint someone in M.I. who would collate information relating to traffic in arms to foreign countries.

I think it might be preferable if we got M.I.6 to send us a copy of anything they send to the War Office. We could then comment direct to the War Office and M.I.6 if we had anything to say.

J.I.B. feel that they are only concerned with the industrial mobilisation aspect of this problem. It would be of interest to them to know that Skoda were manufacturing certain quantities of a particular type of armament, but they would not be interested in knowing that a certain quantity of surplus stocks had gone from this country, or elsewhere, to some country in the Middle East; that would be a War Office matter.

I will speak to the D.M.I. about appointing someone from his department to deal with arms traffic.



I had a long talk with Bill Crean, of Canadian External Affairs. He said that although the R.C.M.P. were now represented on the J.I.C. and were generally coming more into the political and intelligence picture, the GOUZENKO case had shown the need for someone with the necessary political background in the Cabinet Secretariat to give guidance when such cases arose, and to obtain the necessary authority for action. An appointment of this kind was in contemplation and he thought that it would be extremely useful if this officer could pay us a visit and be versed in the general background of our work, both on the subversive side and on the counter-espionage side. He was careful to point out that any such appointment would be with the full agreement of the Commissioner of the R.C.M.P., and that there would be no question of this officer acting as an independent channel.

I said that I could see no objection to this proposal, subject to the D.G.'s agreement.

Crean has had conversations with Saffery about the security of Canadian Embassies, Legations and Consulates abroad. He is not satisfied about leaving these matters in the hands of Gambier-Parry's representatives in our Embassies, and would much prefer to deal with Saffery direct, so that whenever his officers visit an area they can look after Canadian affairs in the same way as they look after those of the Foreign Office. His only difficulty is in the matter of communication. He would like to be able to telegraph to Saffery through our channels if this were acceptable.

I said that I would look into this, but prima facie I could see no objection. His wires would come through the R.C.M.P. in the form of "Following for Cumming for transmission to Saffery".

Crean has visited R.5 and said that he would very much appreciate the opportunity of having a look at our R.I.S. research section before he returns to Canada. I gather that he will be here for another month.

Burt rang up to say that Winston had sent along a Swede, who was very knowledgeable about what was going on behind the Iron Curtain. Burt wondered whether we would like to send someone along. I spoke to Dick, who thought it better that we should have a Special Branch report and then consider later whether we wanted any further cinterrogation.

10th July.

Michaelis has telephoned to Tess to say that the French police - presumably at the request of Mme. NEY - wished to know what had happened to her 160,000 francs. Tess said that there was no doubt that they had the money in the office, and that Michaelis used some of it for current expenses in connection with sending NABEL back to Germany. If the law in France is the same as it is here, Mme. NEY



would be entitled to her 160,000 franch, unless it could be proved that she had got it from German sources. It seems extremely doubtful whether this could ever be proved, as she resolutely refused to say anything.

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12th July.

Dick rang me this morning to say that Bill Donovan, who was over here on ordinary business, was anxious to talk with people interested in combatting Communist activities. I gathered that Bill Donovan is a possible Republican candidate for C.I.A. told me that he was inclined to be a little critical of the F.B.I.; he thought that they were not going quite far enough. I said that I thought it was undesirable for us to see him, since if it got back to the F.B.I. the old feud would be renewed. Apart from this, there was always the danger that he might make use of the information in some form of publicity. I suggested to that 'C' should put him on to the Conservative Central Office - Hopkinson or Clarke. 'C' could easily do this through Anthony Eden.

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Dick, TAR, Marriott and I had a discussion about liaison with the French. The Benelux security machinery is working, but there has been a suggestion for a War Room. We all feel that this would serve no very useful purpose in the present state of distrust, and that it would be far better to continue on our present lines with periodical meetings with all those concerned in security matters, plus visits such as that made recently by Marriott and TAR to Verneuil.

This brought us to a general discussion about our position vis a vis S.I.S. and the moratorium. Dick, TAR, and M.E. have reached the conclusion that there is a positive waste of effort in having a section in consisting of some 25 bodies dealing with the R.I.S., and also a section here, and are anxious to discuss a proposal that we might put an officer over in S.I.S. and close down our section. Personally I think this is wrong. S.I.S. are, generally speaking, a body which collects information and distributes it to interested departments. To the War Office they supply details about the order of battle. It is, however, for the War Office to collate this information and not S.I.S. It is the D.G. primarily who is charged with counter-espionage and he is responsible for ensuring that British territory is not penetrated by enemy agents. He has in fact to take certain executive action, or at least to initiate it. He cannot, therefore, by private arrangement offload his responsibilities to S.I.S. It would be far more appropriate, therefore, if the collation and grading were done here, where we are much better equipped for the purpose, and that S.I.S. should attach one or two officers in order to extract any information which may assist them in their offensive operations. In other words, the overlap really starts in the charters and until they are got on to a rational basis the overlap is bound to continue.



141.

I subsequently discussed this matter with Dick and the D.G. It was agreed that Dick would elicit <sup>from</sup> S.I.S. at his next meeting their detailed proposals. We would consider whether we would agree to them without prejudice to a discussion when the moratorium question comes up, or whether we would take the matter up now with Bridges.

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For Minutes of D.D.G. Meeting held to-day see folder in D.D.G. Secretary's tray.

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13th July.

We waded through Soviet Interests, Capabilities and Intentions at the J.I.C. to-day. I rather threw a spanner into the works by pointing out that we had not said anything about the internal situation in Russia and the extent to which the country would be prepared to back its leaders. A compromise was reached by inserting a paragraph to the effect that since all those in a position of responsibility, from the age of fifty downwards, had been brought up on Marxian doctrines, to the <sup>noted</sup> exclusion of all others, it was probable that the majority would support their leaders.

This long paper has some 450 paragraphs and is now to be finalised.

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I had a meeting with D.B., B.L., Oughton and Furnival-Jones, on the subject of Communists in industry. A paper is being produced showing exactly what the position is, and is to be circulated to the Ministry of Supply.

We feel that the Government will have to make up their minds to come out into the open, since M.P.s like Pritt are already feeling round on what they call "the extension of the purge to industry". The Government will have to make it plain that there is a clause in every secret contract which permits the Admiralty or the Ministry of Supply to request the exclusion of any named individuals from work on the contract. This may lead to some demand for an appeal tribunal comparable with that of the three advisers. It would be impossible for us to accept this position.

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15th July.

I discussed with Oughton, Bennett, D.B. and Hill the question by Pritt based on the MANLEY case, and a letter written by MANLEY



to the Lord President, in which he complains that officers of M.I.5 have caused his dismissal from the firm of Kestner. The facts are that we have not visited the firm since 1946 and that we have never said anything to the firm about MANLEY. We did, however, write to Special Branch on June 1st stating that, according to our sources, MANLEY was engaged on some new work for the Communist Party, and asking whether they could enlighten us. They replied on the 28th June, telling us where MANLEY was employed and that he was still active in Communist Party interests.

I got Burt over and it seemed clear that the dismissal was due to the visit by an officer of S.B. Burt said that from enquiries that he had made, the firm had already decided to get rid of MANLEY before the S.B. officer called upon them. I said that I thought he should so inform the Lord President.

Foulkes came in to see me. He appears to have had a frightful time in Haifa. The worst of his troubles arose from a reluctance by the military to recognise that he belonged to an independent organisation. He was charged with maintaining the unit until the evacuation. It was, therefore, difficult for him to explain to anybody, except the Chief of Staff and the G.O.C., why he was there and what he was doing. The result was that from the administrative point of view he was extremely badly served.

Magan has spoken of the extremely valuable work that Foulkes did under very trying conditions.

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Peter Hordern came to see me to-day. He has a friend, Robin Whitworth, who is a son of Geoffrey Whitworth connected with the National Theatre movement. Robin Whitworth has a conscientious objection to taking life. During the war he went to France with the Friends' Ambulance, and later did service with the R.A.M.C. He apparently has a Communist friend, whose name and address he will not give, but who lives somewhere near Loughton, Essex. He told Hordern that he was rather worried by an incident which occurred when he was visiting this friend not long ago. There was present another individual, who appeared to be connected with the Post Office. After asking whether Whitworth was the kind of man before whom he could speak with safety, he said that he was now leaving the area and he could, therefore, no longer give protection with regard to the telephone. The implication was that somebody was intercepting the conversations of Whitworth's friend and that the G.P.O. official had been taking these down but had not included anything which might have been detrimental.



This does not, of course, fit in with what we normally do, and there is probably some mistake in the story somewhere. Nevertheless I think it might be a good thing to try and identify Whitworth's Communist friend near Loughton, and also the name of any Post Office telephone operator or mechanic who has recently been transferred from that area.

The only other clue to Whitworth's Communist friend is that he was at one time in Jugo-Slavia where he had maintained liaison with a Jugo-Slav female doctor. Whether he eventually married her or not I do not know. Hordern cannot get any further particulars out of Whitworth, who now has scruples about giving his friend away.

This individual is almost undoubtedly SPROULES, a highly placed scientific officer in the firm of Hughes & Co. who work for the Admiralty.

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We gave orders three or four days ago for the withdrawal of Wright and Hackett-Pain from Jerusalem to Amman. S.I.S. were worried about Wright, since he had knowledge of and since the Irgun had recently kidnapped four Britishers in Jerusalem.

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16th July

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I had a meeting with Whitestone, A.D.N.I. (Ransome), Hill and F.J. about Communists employed in firms engaged on secret work. The purpose was to dissuade N.I.D. from going forward with a secret contract to Hughes & Co. until the Government had made up their minds about what they would say to the House if they were challenged. The Admiralty wanted to write to Hughes & Co., saying that they would place a contract with them on condition that SPROULES was not employed.

Hill pointed out that this was dangerous and laid them open to a charge of conspiracy. On the other hand, if they first placed the contract and then exercised their right in respect of SPROULES, under the special clause, they would be on safer ground. In any case, it seemed undesirable to proceed at the moment until the Government had formulated their policy.

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Hill and I saw Sir Norman Brook to-day, when I showed him a copy of the note on Communists employed on secret contracts, and also discussed with him the general implications of certain questions in the House which seemed to make it inevitable that sooner or later the Government would have to make some statement with regard to Communists employed on secret contracts.

Brook called in Winnifrith. It was agreed that Brook would speak to Sir Harold Parker of the Ministry of Defence and suggest to



him that the memorandum should be put up to the Cabinet through the Minister of Defence.

We approved a draft brief by Winnifrith to the P.M. giving him the background of Pritt's question about MANLEY and the wider issues. The P.M. has been urged to stall.

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19th July.

F.J. has brought me a further question by Pritt in the case of MANLEY. I went to see Maxwell, when it was agreed, subject to what the Yard had to say, that the question should be taken by the Home Secretary instead of the Minister for War, as the matter concerned the Police and not M.I.5.

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 Hill and I saw Sir Harold Parker and left with him four copies of the note on Communists employed on secret contracts. He said that before the paper went forward to the Minister, he would have a meeting with Sir Archibald Rowlands and Sir John Lang (P.U.S. Admiralty). We discussed with him all the implications of the document, and in particular the possibility of a demand for some sort of tribunal to assess the evidence on which either the Ministry of Supply or the Admiralty might exercise their contractual right to object to certain individuals being employed on a secret contract.

We said that we felt that any sort of procedure similar to that adopted in the case of Civil Servants would be inappropriate and most undesirable. It would, in fact, be almost impossible to put our cases forward as Top Secret sources would be involved, and, even if they could be revealed, they would not constitute evidence in the legal sense. Hill maintains, and I think rightly, that any procedure of the kind might well constitute an infringement of the rights of an employer to dismiss his employee.

Maxwell, with whom I had previously discussed the matter, felt, on the other hand, that it would be difficult to escape the implication that the man had either been transferred or lost his employment through information supplied from Government sources, and that logically he would feel that he had been given no opportunity to rebut the evidence against him.

As soon as we hear that the paper is going forward to the Cabinet, the D.G. will like to be informed in order that he can discuss it beforehand with the Prime Minister.

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 I am told that the Shop Stewards of de Havillands' have asked the management to dismiss all Communists. This is something quite new and rather refreshing. It will certainly be a new one if the management feel bound to support the Communists against the Trade Unions.



For Minutes of D.D.G. Meeting held to-day see folder in D.D.G. Sec's tray.

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Baron van Heeckeren called here again on 20.7.48. He left with me the attached note about PABST's relations with PETRUSKA and wished to apologise for the action of Sternfeld in making direct approach to a certain MURPHY. He said that the officer was acting right outside his instructions; not only was the approach stupid and indiscreet, since no steps had previously been taken to ascertain anything about MURPHY, but such an enquiry should not in any circumstances be made by a Dutch officer. An approach should have been made to the British authorities and their assistance requested.

Van Heeckeren then went on to tell me that several recent cases had come to his notice of the smuggling of arms. He said that cases of revolvers and dum-dum ammunition, consigned as sporting guns, air guns, and ironmongery, from the Skoda works in Czecho-Slovakia were being sent to Holland via the American zone and the British zone. From Holland they shipped to Singapore, South Africa, Ecuador, and other South American countries. He told me that British frontier control had confiscated three loads on the 7th and 8th July.

I rather wonder whether we have heard anything about this from S.I.S. or C.C.G. If revolvers and dum-dum ammunition are being sent to Singapore, it is of some importance to know to whom they are consigned and any further details on which S.I.F.E. could initiate action.

Van Heeckeren said that since he was here last, four Russian-trained agents had been caught crossing the frontier. One of them was a man called FISCHER, formerly a German officer. He said that this man's particulars had been checked with ourselves, presumably through M.I.6., and that we had had some sort of a trace. He thought that these agents were double-agents, although he had not succeeded in getting very much out of them. He had various other stories, which seemed to me a little bit wild.

It is abundantly clear to me that what is required is a trained counter-intelligence officer, who could teach van Heeckeren what is what in these matters and bring about some satisfactory co-ordination between his activities and those of C.C.G. We might all benefit from the results.

Van Heeckeren said that there was likely to be a change shortly in the general set-up of Intelligence in Holland. In future the Department of Justice, the Ministry of the Interior, the War Department, and the Navy Department are to have a stake in the counter-intelligence organisation, at present under the control of Einthoven and the Prime Minister. Van Heeckeren said that, as a result of his previous visit and of his talks with van Moyland, he had come round to the view that this was highly desirable.

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146.

Dick, James Robertson, Skardon, and Cumming came to see me about \_\_\_\_\_ He telephoned to say that he has been peremptorily summoned to the Embassy. He intends to go and says that if we do not hear from him by midnight he hopes we will do all we can. If he feels that he is in danger, elaborate arrangements have been made for his protection.

I said that if the Russians were really suspicious about him they would not let him out of the Embassy. If they did allow him to go home, I did not think he was likely to be in any danger.

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I was delighted to hear that Stephens has been acquitted on all counts. This is a real triumph for all concerned, not least Dick Butler.

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21st July.

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I asked Val Boucher at the J.I.C. to-day whether the War Office were making any mobilisation preparations in view of the situation in Berlin. He said that they were considering what stores were required and what troops would be available to go overseas if necessary. They were also having a hasty manual printed on the Russian Army.

I had asked him this because D.D.N.I., Roskill, had told me at the club the night before that he had just attended a meeting which had lasted from 4 - 7 and at which all Staffs and Administrative departments had been present. The meeting had been prefaced by a remark from the Chairman in the following terms:-

"Owing to the European situation the Government may have to make an announcement within the next week to the effect that the events in Berlin might lead to war. It was therefore necessary to consider the War Book and to draft interim emergency instructions."

They had considered the question of security. Roskill was hoping that in an emergency M.I.5 would arrest all P.D.Cs (potential dangerous Communists). I said that we should do nothing of the kind and that the only course would be to deal with them administratively, i.e. to get them off the ships.

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At the Appointments Board I raised the question of our mobilisation plans in the light of what I had heard from D.D.N.I. and D.D.M.I., when it was agreed that we should form a Working Party and decide who should go overseas and what the expansion of our various sections here would have to be. So far there has been no communication addressed to officers formerly employed in this department.



Hollis is to succeed Harry Allen as Director C. TAR is unfortunately leaving at the end of August. Mitchell will take B.1. and Marriott B.2. Kirby-Green is going to West Africa. Stephens is to be offered Ceylon.

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 said that the Ambassador had had a telegram from Marshall, asking whether we would vet British applicants for American quota visas. We are already vetting 30 alien applicants per day on the basis of a five day week. British subjects in addition would increase the commitment to something like 100 a day - in other words, a overall addition to our present vetting commitment of 110,000 a year of over 18,000.

I told that the purge was already stretching us to the utmost limit. We had in fact been asked to vet 300,000 industrials - in other words, three years work - with an additional yearly intake of 50,000. I should also have to seek approval from the Home Office. I said that, subject to these two considerations, we were of course anxious to help them in any way we could.

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22nd July.

I saw Sir Alexander Maxwell and Kenneth Younger this morning at the Home Office about the question which Colonel Wigg has stated he will ask in the House of Commons, regarding HAMPL, on the adjournment.

Kenneth Younger considers that it is inadvisable to start a precedent by explaining the reasons for the Home Secretary's action. If the question is put (it is not certain that it will be, as Colonel Wigg may be unlucky in the ballot for the available time), Kenneth proposes to say, in effect, that the question of aliens' residence in this country is in the discretion of the Secretary of State who is satisfied on the evidence before him that his decision in this case is the right one and that it is not in the interests of this country to disclose the evidence. If necessary, he will add that the Secretary of State is satisfied that HAMPL has not been framed by a member of the Embassy who has resigned as there is independent evidence that arrangements for handling the letters were made by Prague.

Sir Alexander Maxwell agreed that it would be best to say as little as possible and not to use our evidence. He seemed quite satisfied that HAMPL should go and there was no question of the Home Secretary rescinding his decision.

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PALMER

Hill and I saw Sir John Woods about GRAHAM-CAMPBELL of the Ministry of Supply, who, according to our information had disclosed the findings of the Cabinet Committee about the embargo on arms to the Middle East to RICKETTS.

Woods said that his only course would be to hold an enquiry which would, of course, lead to the disclosure of sources. We both agreed that this was impossible. It was left to us to let him know if we could find suitable cover for pursuing the matter.

I saw Le Man and asked him about his liaison officer in Singapore who has been withdrawn. I said that if S.E.D. could see their way to replacing him we would do our best to supply him with any information which might concern Indo-China. I could not guarantee that there would be a great deal, but I thought that such an appointment would be mutually advantageous. He said that he would bring the matter to the notice of his own authorities.

I saw Mr. Anderson, Superintendent of the British Somaliland Police, who is doing a short course here. I explained the general structure and purpose of the office. He said that it had been very useful to him to know the ground we covered; that he and others in Somaliland were all apt to get parochially minded. He now knew how he fitted in to the general picture and would be on the look out for anything of national or international interest.

24th July.

Burt came to tell me that at an R.A.F. station in the South a sergeant had been approached by the Jewish Legion for thermite and a limited quantity of ammunition - 500 rounds. The sergeant had reported the matter to his C.O. who had reported it to the Police. Burt had then sent up an officer to interview the sergeant and, with the concurrence of his Commanding Officer, it was arranged that the sergeant should supply the material wanted, and that Burt should cover the meeting. He asked if we would put on appropriate telephone checks to test the reactions. This I arranged to do.

Dick tells me that [redacted] show that [redacted], formerly employed by the Foreign Office as a Public Relations Officer in Berlin, has admitted that he was responsible for passing to a Russian officer certain information for the guidance of our Press which had been given by Bevin on the occasion of his visit some months ago. We had in fact been asked to investigate the leakage at the time. On getting a list of those who had handled the information we found

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that \_\_\_\_\_ was included. We had previously warned the Army about \_\_\_\_\_ but in passing him over to C.C.G. they had failed to warn the Foreign Office and the latter had not called for a re-vet. As a result of our representations the Foreign Office, with some reluctance, had removed \_\_\_\_\_. Subsequently he had turned up in Greece, where he had again made contact with the Russians. We had again been instrumental in getting him turned out.

It is satisfactory to know positively that our warnings were well justified.

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26th July.

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Mr. Hann of the R.C.M.P. administration called to see the D.G. and myself. He is visiting various offices in London.

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A telegram has come in from Malaya, from which it seems that there is a move to create a P.I.C.F.E. which would presumably be run by Dalley. The Commissioner-General does not apparently seem satisfied that the Special Branches will be able to give him the information he required. Kellar will discuss this matter when he gets out to Malaya. We feel that if a distinction can be drawn between political information and security intelligence the political information could well be given to the Commissioner General or the District Commissioners and be co-ordinated by Dalley, while the security intelligence should be co-ordinated by S.I.F.E.

Grey is to become Commissioner of Police for Malaya.

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Vickery has seen Grafftey-Smith, High Commissioner for Pakistan. Things in India are extremely sticky. Pakistan have now gone into Kashmir with three Divisions and a rather desultory war is going on against Indian troops. Pakistan feel that we have let them down badly. The atmosphere for starting up a liaison is clearly not good. At the same time Grafftey-Smith thinks that no harm can come from a direct approach by his office to the Pakistan Prime Minister. The D.G. has agreed to this being done.

The position between India and Hyderabad is extremely sticky. The Indians are asking Nepal for several more Divisions of Gurkhas which they may employ in Kashmir, thus releasing Indian troops for dealing with Hyderabad. If they start a war with Hyderabad, the whole communal (?) issue is likely to flare up again. The only moderating influence at the moment is the arrival in Kashmir of the U.N.O. delegation.



Burt telephoned to say that his informant had handed over the ammunition and thermite in Hackney; that the recipient had been followed to an address in Moorgate, which he had entered with a key. We have had few reactions from our own sources. One, however, indicates a training area for the Jewish Legion in North Wales. It may be, therefore, that this material is required solely for training purposes.

I have written a minute to the D.G. on the proposals for an amalgamation of our research section on Russian and satellite intelligence organisations with that of . . . I pointed out that the present wasteful overlap is really due to the overlap in the definition of our functions, which appears in our charter. One point, as to who should card and collate all this important matter, is left in the air. We are responsible for the Defence of the Realm against espionage and sabotage and subversive organisations, whereas S.I.S. are shown as being responsible for the activities of foreign Intelligence Services in so far as they affect "other British interests abroad". This particular phrase has very little meaning and the S.I.S. case for research is mainly based on their interest in protecting their own offensive operations and assessing the value of the information they receive. My view is that the major executive responsibility is with the D.G., and that he must, therefore, card and collate. If he makes any private arrangements with S.I.S., it will not relieve him of this responsibility if anything goes wrong. I feel, therefore, that the work should be done here and that S.I.S. should attach such personnel to extract what they want from the records for their own purposes. S.I.S. are pressing the reverse, namely, that we should put our officers into Broadway. As I have so often said before, it probably would be 90% solved if both organisations were in the same building working from the same set of records.

The D.G. called a meeting of the Appointments Board to-day to consider a suggestion that Stephens should go to Ceylon. An account of an interview between Hankinson and McDonald of S.I.F.E. seemed to indicate that Stephens was not very well suited for the job. Hankinson wants somebody much more of the type of Simkins, who will assist him in writing up his political reports.

It was agreed that Stephens would rejoin us on the 16th August and that the matter should be reconsidered in September, as Hankinson did not want anyone to arrive before October.

27th July.

Wilde came to see me about his visit to Washington. He saw Forrestal, who is more or less the king-pin in defence intelligence matters, and also Grunthal. There is no doubt that

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the Americans are out to collaborate with us in all L.C.S. matters, but at the moment they do not appear to have any organisation comparable to our own. It is proposed that they should attach an officer to L.C.S. in London.

As discussion between Drew, who accompanied Wilde, and C.I.A. on the subject of "black" propaganda led to a general freeze-up. This discussion took place at the request of Christopher Warner and General Hollis, but it subsequently transpired that Jack Easton, who had already discussed this matter with C.I.A., had sent a telegram which was the cause of the freeze-up. This is rather reminiscent of the D.G.'s visit to Washington on the question of Australian security. One department of the Foreign Office asks you to discuss matters with the Americans, while another torpedoes you.

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We had a preliminary meeting about our mobilisation plans. We discussed first the Ministry of Defence paper on the revision of the War Book. It was clear that quite a number of the items affected us and that we ought to be in on discussions on drafting.

As a preliminary step it was arranged that Hill should see Barley, who is responsible for the revision of the Home Office War Book. It was felt, too, that we should carefully consider what action vis a vis the Communist Party was desirable in the event of an outbreak of war with Russia. While it was clear that this might depend to some extent on the circumstances in which a war broke out, it was felt that something on the following lines would probably be necessary:-

- (a) The immediate internment of Communist Party leaders in London and the Provinces:
- (b) The removal of Communists from all important vulnerable points.
- (c) Some plan for conducting raids on Communist Party official or unofficial offices, which would supply us with the necessary evidence from overt sources to convince whatever appeal tribunal is set up.

Lastly, we discussed our own expansion. It was agreed that D.E./A. would put up a plan of our requirements both for the extension of our offices at home and abroad and also for our contribution to the Armed Forces proceeding overseas. Having got this plan into shape, we would then consider as far as possible how the vacancies could be filled from existing personnel and the lists of ex-officers who have been approved for re-employment in time of war.

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I had a visit from Commander Shepherd of the J.S.M. Washington, who is N.I.D.'s representative on the intelligence side. He has been told, purely as a precautionary measure - I hope a remote one - to review the machinery of Security Co-ordination in so far as the security



of our shipping in the Western Hemisphere is concerned. During the war this included all the Americas and the Caribbean. The organisation was run by Connop Guthrie under Bill Stephenson, and was based, I think, largely on our Consular officers. Connop Guthrie played direct to Swinton's organisation.

I told Sheppard that we had no responsibility for this organisation, although we did pass, through the Home Defence Security Executive, certain details on counter-sabotage and the types of infernal machines used by the Germans. I also made it clear that when the Americans came into the war this organisation was gradually liquidated, at any rate in so far as the U.S.A. was concerned.

We then discussed the Caribbean. I told him why we had packed up our organisation and how we operated at the present moment. He seemed to regret our departure, but understood the reasons. He made it clear, however, that in his opinion it would be essential for us to open up again in that area immediately on the outbreak of war, if not before, since if the Russians could obtain refuelling bases in the Islands they could do an immense amount of damage. (Incidentally, the Russians appear to be concentrating on submarines and have already made considerable progress in construction, although the Navy doubt their efficiency at sea).

Sheppard then told me that he had from time to time received a certain amount of security information from G.N.I. In particular he mentioned certain illegal immigration ships. He wondered whether there would be any advantage in Thistle having a link with him. I said that this might possibly be useful, although I could not say positively without knowing whether he had been in touch with the Naval Attache. I said that I would discuss it with Thistle in September and that if, meanwhile, he cared to ring him upon his return to Washington no harm would be done.

Lastly, Sheppard expressed some anxiety about the way in which the Admiralty's Civil Adviser took on staff. It seemed to him that they combed the streets of Washington for English or Canadian girls, and that the only precaution was an F.B.I. vet, which was usually negative. He mentioned a Captain Merrigan in this connection, who must I suppose be the Embassy Security Officer. He did not wish his name to be mentioned in this matter, but we might perhaps discuss it when I see Thistle in Washington.

I have put all this down as I thought by the time I reached Washington I might have forgotten it!

28th July.

Hill and I attended a meeting in Sir Harold Parker's room yesterday with Winnifrith and representatives from the Admiralty and the Ministry of Supply. The whole ground was explored and Sir Harold Parker will be circulating a minute, suggesting that we, the Admiralty and the Ministry of Supply should, after considering the minute, meet again in order to clear up certain points.



It was generally agreed that in the present "purge" atmosphere the Government would sooner or later be forced to say something in the House about the present procedure in regard to secret contracts in industry, and that there might then be a demand for some appeal tribunal.

One suggestion put forward by Winnifrith was that the three advisers should review the case before the Ministry of Supply or the Admiralty exercised their contractual right to exclude any particular individual from work on a contract. The Minister would thereafter accept responsibility, which in fact he does now, although it has not been the normal practice for such cases to be brought personally to his notice.

I said that this procedure might not satisfy the House, as the avowed purpose of setting up the three advisers to deal with the cases of Civil Servants was to satisfy those who felt that it was a principle inherent in British justice that anyone accused should know the nature of the charge and have an opportunity of refuting it. In the procedure suggested by Winnifrith, no such opportunity would be given. Moreover, Winnifrith's proposal was tantamount to a vote of no confidence in the Security Service.

I think that quite an important principle is involved here, and that a Minister must be prepared to accept the assessment of the evidence given to him by the Director-General of the Security Service without calling in the opinion of an outside body.

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Gleadell gave me a memorandum on Communism in the Colonies, prepared by somebody in the Colonial Office, for discussion between the Colonial Secretary and the Ministers of Defence. It is, I think, a thoroughly bad document and amounts to a sort of general whitewashing of Creech-Jones to his colleagues in the Cabinet. He talks a great deal about progress and colonial development; the necessity for sound Trades Unions and for the development of cultural and welfare activities. He regards all this as the best antidote to Communism. He does not, however, stress sufficiently strongly the necessity for adequate forces of law and order. His policy really is to teach the colonial children to run before they can walk, without giving them any nurses to see that they do not get into mischief!

As Grey said to me when I had tea with him to-day, it would be far better if instead of spending £100,000 on the creation of a Malayan university, the money was spent on providing adequate Police Forces. Grey is accepting the job in Malaya. He said that he liked Winterborn but that he lacked a certain experience in our type of work: he might be too honest for people like Dalley.

I explained to Grey that Winterborn had originally joined us as one of the attached soldiers, but we realised he had not had experience of our work: we had, however, taken steps to build him up with experts from the Indian Police. The show had only just begun to get on its feet



and until we were in production and making a useful contribution, Winterborn had rather avoided going round paying courtesy visits on Governors.

I do not think Gray had quite appreciated the position. He had taken a hearty dislike to Dalley and was quite determined to see him out.

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29th July.

W/Cdr. Balden came to see me. He has just taken over security in the Air Ministry. He is not a very impressive type, but it was a hot day and I think he had had a rather heavy night out. I think he had something of a hangover!

-----  
John Marriott and I went to the Home Office to see Kenneth Younger, who is to carry the case of HAMPL on the adjournment to-morrow.

Wigg, who is the Parliamentary Private Secretary to Shinwell, refused to be deterred and is now dragging in the case of a man called [ ] who had a false British passport and who had, in fact, gone out from Czech refugee circles here with the [ ] On that question Kenneth will simply say that a man called [ ] did get a British passport on the basis of a birth certificate - more than that he does not know.

Wigg is also raising the case of one ARTEN, a Czech whom he alleges was told by the Foreign Office to clear out. Wigg wants an assurance that this man will be allowed to return. Kenneth proposes to say that after the assurance he was asked to give in the case of HAMPL, he does not feel able to say more than that the case will be dealt with at the discretion of the Immigration Officer. Nobody seems to know the facts of the case of ARTEN, who is on the committee of the Anglo-Czech Friendship League. It looks a little as if he had a guilty conscience and had cleared out.

The case of HAMPL will be fairly easy and, dependent upon the temper of the House, Kenneth will say that the Home Secretary has a perfect right to deport undesirables and does not propose to give his reasons.

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30th July.

I went to see Sir Robert Knox about BRIT, who has been given a Norwegian decoration. We arranged that he would be described as a translator in the War Office.

Knox raised the question of our calling ourselves "Civil Assistants of the War Office", and

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He says that both these titles are peculiar to our Services and that if anyone got a tip-off they could easily get our names from the Gazette. He thought perhaps it might be more appropriate if we were called "Temporary Civil Administrative Assistants". This is a kind of vague omnibus grade which could cover a multitude of sins.

He then told me that, on the recommendation of the Coal Board, a coal miner who was a Communist had been given the B.E.M. The Labour Chief Whip, Whiteley, had taken grave exception to this and had asked that in future such cases should be put forward. Knox wanted to know my views. I said that I could perfectly well see why the Labour Party did not wish the good work done by this man to be recognised; it might indicate that the Communists in the T.U. Movement were harder workers than the ordinary Trade Unionists and make things difficult for the Labour Party, who were urging their T.U. supporters to get the Communists out of influential positions. Personally I felt that it might be rather good for this man to receive the B.E.M.; it was rather like giving a truculent ranker a stripe - the effect on him of having his services recognised often resulted in his joining the forces of law and order. Knox was inclined to agree with me and I think he is going to return to the charge with the Chief Whip. I gather that the individual in question had incurred the displeasure of the Party in accepting the Order. He was equally unpopular with the Right Wingers, who were jealous. The pity is that he cannot receive his decoration from the King, as B.E.Ms do not go to Buckingham Palace.

The D.G. has been over to a meeting at the Home Office, chaired by Newsam, at which two Chief Constables were present. The purpose was to discuss embryo war plans. The D.G. was asked to say what he would recommend with regard to the Communists. He said that we should want the ringleaders arrested as a first step and that we might want extensive raids conducted. He did not mention vulnerable points.

There is, I gather, to be a Head Policeman for each Region with full powers over other Police Forces.

I told the D.G. on his return about the arrangements that we were making to prepare the brief for the Home Office on measures we proposed for dealing with the Communist Party. I also told him that Hill was in touch with Burley on all matters affecting the Defence Regulations.

We have heard through S.I.S. of a defector in the person of a Russian nurse of the Russian Hospital in Addis Abbaba. Her name is TERENTIEVA. She wanted to marry an Italian called SAVRINO. The Russians locked her up in the hospital, but she managed to escape. She has done a certain amount of work in the Soviet Embassy and may have an interesting story. It is proposed to get her out to Somaliland or to Kenya.

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Kenneth Younger rang me up about the Debate. He said that on the whole he thinks he got away with it fairly easily. He is still mystified about the case of ANTEN, whom he tells me has apparently gone to Canada. He wonders a little whether S.I.S. did know something about it.

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23rd September.

I had a long talk with Dick. Quite a lot has been going on since I have been away. Hollis is still in Australia, but returns on Monday. Harry Allen is away, and Charles is away. Kellar has taken over S.I.F.E., and the D.G. has been in Salisbury to see about our accommodation. Dick has therefore been carrying the burden of the work here.

A good deal has been done to overhaul our war machinery. Notifications have been sent out to ex-members of the office, and extension plans have been considered. There have also been conferences with the Home Office and plans formulated for dealing with Communists should war break out with Russia. The question, however, as to whether arrests should be made immediately on the outbreak of war is still in abeyance. The Home Office apparently have doubts. We should, however, be allowed to conduct searches.

Dick has completed a memorandum about the joint section with S.I.S. for the study of the Russian Intelligence Service, but a final decision is being held up pending Hollis's return; he has a point of view in connection with Empire security which he thinks should be very closely tied up, and he is I think a little inclined to agree with me that as the major responsibility for countering activities of the Russian Intelligence Service must rest with the D.G., the organisation should be here and that S.I.S. should second personnel



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to extract what information they require for their own purposes.

*Morton Evans*  
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M.E. and Martin have prepared a memorandum on the development of R.S.S. in war time. They point out that at present L.S.I.C. are using the military, naval, air and Foreign Office stations for the purpose of interception, and that in war time the Services would undoubtedly request that all L.S.I.C. resources should be directed towards obtaining operational information. C.E. would then become a very poor relation. For this reason they think that we should request the Treasury to allocate funds to set up C.E. monitoring stations, and that we should begin by taking over the mobile units, which in their spare time carry out certain monitoring tasks.

At the D.G.'s request I am to make an approach to Travis on these lines. I intend to mention the matter to 'C' before doing so.

It is, of course, right that we should make this contribution to L.S.I.C., and it is, moreover, desirable as it would give us the right to a seat on the SIGINT Board, which we should have in any case, as one of the principal consumers of L.S.I.C. material.

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Wing Commander Carrant, who is to go as Secretary to J.I.C. Washington, came to see me. I gave him the usual talk about our organisation.

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24th September.

I attended the J.I.C. We had quite an interesting talk from our Minister in China, Sir Ralph Stephenson.

He said that in assessing the position there were four fundamental points about the Chinese which must be borne in mind. Firstly, there was no patriotism in the ordinary sense of the word; Confucian ethics stressed self-interest and the family. Secondly, since 1911, China had been in a continuous state of revolution. With a slow up-surge of an oppressed people, a certain emancipation had taken place after the formation of the Kuomintang, but this had been checked in 1947, when the Kuomintang was purged of its left wing elements. It has been said that Chinese Communism was solely a movement for agrarian reform. This was not the case: it was wholly wrong to



assume that Chinese Communist aims were any different from the aims of Communists in other countries. Like Russia, however, their tactics were opportune and whenever they gained control of any city or area, it was their policy to grant concessions to private traders and to prevent looting, etc. In this way they were to some extent leaving a good name behind them, if they were driven out by the Central authorities. Thirdly, fundamentally xenophobia existed in China. While it might be admitted that the foreigner was clever mechanically, he was regarded as vastly inferior from the cultural point of view. The central authorities were constantly playing on this theme. Fourthly, the Communist Party and the K.M.T. were equally hostile to foreigners, but of the two the K.M.T. was possibly the lesser evil. In spite of the fact that the K.M.T. was strangling private trade through the operations of the Central Trust, which controlled the purchase of raw materials, the Communist Party was still, on the whole, more unpopular than the K.M.T.

While it was possible that the new currency might have a certain unifying effect, it was important to remember that nobody, whatever his political beliefs, could effectively govern the whole of China. The country was too great and too diffuse for a central control.

There have been complaints by the Central Government that Hong Kong is being used as a base for Chinese Communist activities. Hong Kong did, however, traditionally provide right of asylum for various political refugees in China, and it was doubtful whether the Central Government would press this point far, unless Communism in Hong Kong became really serious. While it was true to say that as long as we held Hong Kong, relations with China would be difficult, it was equally true that if we gave up the Island, no substantial improvement in those relations could be expected, and there would be many in China who would regret our departure. He thought that we should regard Chinese representations with equanimity.

Although the Chinese disliked all foreigners, they disliked us probably less than the Americans. These dislikes, however, did not affect personal relations with individuals, which were on the whole fairly good.

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 Wibroe came to see me about a notice that he had received asking him to return in the event of an emergency. He said that he was quite ready to come, provided he were given a short time to wind up his affairs.

He is now engaged in supplying plant for the manufacture of beer in various parts of the world. He is acting on behalf of an American group. -----



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The Americans are taking the somewhat irritating attitude that, as we may well be blotted out in the first few hours, it is better not to go for focal integration, but rather for co-ordination committees. Not much progress, therefore, has been made.

'C' told me, too, that the Americans were making difficulties about bringing the Benelux countries into any such arrangement.

-----  
27th September.

Kirby-Green is anxious that some further memorandum should go to Chief Constables, explaining to them our present policy and giving them up-to-date information about the Communist Party. He said that he had been doing his best to explain matters to them, but agreed with Mitchell that many of them were extremely ignorant.

-----  
The D.G. has cancelled my Monday meeting. In future there is to be a Directors' meeting on Monday afternoon, with the D.G. in the chair, and the D.G.'s full meeting on Tuesday mornings. He feels that in this way he will be kept more in the picture.

-----  
Hill and I attended a meeting with Sir Alexander Maxwell, Sir Frank Newsam, and Mr. Dixon at the Home Office to-day, on the subject of Communists employed on secret work in industry. This arose from the fact that I had informed Maxwell about our previous meeting with Sir Harold Parker of the Ministry of Defence.

It was realised that the Admiralty and the Ministry of Supply, or the Prime Minister, would have to carry any questions in the House on this matter. At the same time, the Home Office were interested in a general way and would be glad to be represented at any future meeting.

Maxwell thought that the whole question of a tribunal was an extremely difficult one. He evidently felt that there was some sort of moral obligation on the Government to give a man in industry



the same opportunity of defending himself as is given to Civil Servants. At the same time he saw the very great difficulty in making this concession.

Newsam, on the other hand, was quite positive that the matter should be regarded as one between employer and employee, and that the individual concerned had his redress in bringing an action against his firm for wrongful dismissal if his contract had been infringed. He thought, however, that, as the man might be dismissed as a result of information supplied by the Government, the Ministry concerned should, before exercising their right under the contract, make up their minds whether they were prepared to reimburse the employer for any damages that might be held against him.

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28th September.

For Minutes of D.G.'s meeting held to-day, see folder in D.G.'s Secretary's tray.

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Colonel T.J. Kendrick, formerly S.I.S. representative in Vienna and during the war employed by C.S.D.I.C., came to see me to-day. He is retiring from S.I.S. and is going on a visit to relatives in Durban, where his address will be:

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29th September.

At the J.I.C. to-day we discussed again the question of defect S.I.S. were in some doubt as to the degree of encouragement that should be given to defection. This has now been more clearly defined.

Hayter was against any proposal that the defection of any Russian should be encouraged; he thought that we should stick to the categories laid down. He felt that if we did not exercise discrimination, we should only end in getting the whole business stopped. He pointed out that he had had quite a lot of difficulty in the case of \_\_\_\_\_ with the Foreign Secretary. This did not imply that he himself thought \_\_\_\_\_ was a bad case, on the contrary he thought the information he had given was of considerable value.

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I lunched with van Moyland and Goosen, who is head of the C.I.D. and S.B. of the State Police.

Goosen makes a very good impression, and I am sure that relations with him would be profitable. I discussed with him the question of traffic in arms. He told me that consignments of an entirely new type of revolver, manufactured by Skoda, had been coming through the British and American zones to Rotterdam, consigned as "ironmongery and sporting goods". The Czechs had apparently got an import licence for the U.S., but they had been refused a transit licence for the American and British zones. The Dutch had confiscated the arms, which were in consignments of 3,000, coming in at the rate of two consignments a week. Goosen had no doubt that they were destined for Palestine, or for some country in the Middle East. When they were confiscated, the firm of UDEN, a well-known transport firm in Rotterdam, who represented the Czech transport firm, appeared with a letter from some American Government department, saying that the import licence to the U.S. was in order.

The Dutch are still refusing to release the goods.

I told Goosen that we were very interested in matters of this sort, in fact in any information relating to the traffic in arms to whatever destination. Our reason was that shipments of arms were always an indication as to where trouble might be expected. Goosen took this point and said that he would always be ready to help us.

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Maxwell came to say goodbye. We are all terribly sorry to see him go. Newsam has taken over.

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30th September.

I gave my usual lecture to the I.D.C. to-day. I think it went quite well. I was pried with many questions, mainly relating to Russia and the Communist Party, about which they seemed much concerned.

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Profesor Florey and Lang Browne came to discuss the case of Dr. CHAIN.

Dr. CHAIN, who had somewhat improperly entered into a contract with the Trade Delegation (Soviet) to sell them information about penicillin, has now gone on a years holiday to Italy. Florey hopes to edge him out, but if necessary would like, at some future date, to inform the appropriate authority at Oxford that we could confirm the Professor's information about the disreputable conduct of Dr. Chain. I said that I could see no objection.

It was agreed that, if the necessity arose, Florey would again get into touch with us.

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The Commissioner has had further information from Bourcicault. The latter wants to know whether he can now enter into closer co-operation. The Commissioner would like to know whether the Benelux Security Committee now includes the Surete, and whether on that score he can write to Bourcicault

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The D.G. consulted me about a letter from Lloyd of the Colonial Office concerning Dalley.

Malcom MacDonald is coming over here and wishes to discuss the matter further with the D.G. and with Dalley. The D.G. is, rightly, adamant in having Dalley forced upon him. He has asked me to draft a letter to Lloyd, stating that he cannot possibly have Dalley; he would not have the confidence of S.I.F.E., nor indeed of many of the authorities in Singapore and Malaya.

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The D.G. has seen the P.M. and informed him about Australia. Incidentally, we have now been asked to assist in the setting up a Security Service in Australia.

The D.G. also told the P.M. that, in our view, immediate action should be taken against the Communists in the event of war, and that it would be wrong to wait until they committed some overt act. The P.M. entirely agreed, and I think, if necessary, will intervene with the Home Office.

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1st October.

Research so far shows that there are roughly 200 Communists in the Civil Service. A number of these are in positions where they can do no harm, and we should not, therefore, recommend the Ministry concerned to take any action. In other cases the evidence is not sufficiently strong. There are some fifty cases under investigation and a limited number are ready for action.

Holmes, one of the three advisers, is retiring and a suggestion has been put forward that Bowen, late of the Post Office Union, regarded as 100% reliable by Gardiner, should take his place. Personally, I am doubtful about the advisability of this step, as it creates a precedent for having a Trade Unionist, or at any rate an ex-Trade Unionist. I gather that the proposal has been put forward as a sop to the T.U.C., who only defeated a motion for Trades Unions representation at the hearings by a narrow margin at their conference a few weeks ago. Meanwhile, L.C. White is complaining that Civil Servants are not being given chapter and verse, as was promised by the Prime Minister. This is largely due to Ministries, for some reason best known to themselves, not putting forward such facts as we are able to give them.

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The whole question of unheralded arrivals was raised at the J.I.C. last week. They thought it was a pity that political refugees from behind the Iron Curtain should be sent back. I was asked to ascertain the Home Office views and procedure. It seems that stowaways who come direct are almost invariably landed if they appear to be bona fide political refugees. If they come via friendly countries they are sent back, since it is felt that they should adopt the normal procedure of obtaining a visa.

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There has been a serious leakage in Australia. First of all, Fadden, Deputy Leader of the Opposition, has quoted an official account of Chifley's meeting with the Cabinet on the question of Australian security. Chifley had previously told the House that there was no cause for anxiety, but in this document it was made clear that, owing to bad security, the Americans were withholding documents. Two copies of the documents which leaked were sent to Mr. Chifley personally.

The other leak is a statement in the Melbourne paper that the Australians are going to set up an organisation on similar lines to M.I.5. This follows within a few days Chifley's decision to do so and to invite an M.I.5 officer to go out and assist.



Both these leaks must have been from Chifley's own office. Embarrassing though these revelations may be, it is possible that they may have a salutary effect, although certainly little prospect of security is likely if everything that Chifley knows can go so easily either to the Opposition or to the daily Press.

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2nd October.

Dawson-Shepherd came to see me. He is looking for a job.

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Derek Hamblen came to talk to me about a paper by the Planners on our Far Eastern strategy. This paper is apparently to form the basis of discussions in Washington. We feel that there are all sorts of basic assumptions which have very little foundation. The possibility of an invasion, either by Russian or Chinese forces, of South East Asia seems to be left out. I propose to mention the matter at the J.I.C.

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4th October.

John Gwyer came to see me about deception in relation to the history of the war, a part of which he is engaged in writing.

I said that as far as I knew the ban on global deception still existed, and that as far as D. Day was concerned it would not be possible for anybody to go further than Eisenhower's despatch.

He said that the leading historians had been indoctrinated as regards ULTRA, and of course had seen minutes of the Chiefs of Staff and the Cabinet, which made frequent references to deception. It seemed, therefore, desirable that something should be said to them. I suggested that Noel Wilde perhaps might give them a lecture on what happened, so that they would not be searching about for the answer to something they did not understand. Any application for his services should go through General Hollis.

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I discussed with Cumming, Max Knight, Hill and Dixon the case of a man called HARGREAVES, who had been introduced to Dixon by Bernard NEWMAN.

HARGREAVES had certain documents on counter-intelligence which he had allowed Dixon to examine. One of them contained a secret



manual on counter-intelligence, which had partly been written by us, which had been supplied to 21st Army Group. HARGREAVES had also had a lecture from Max Knight on the running of agents. He was pressing to write a book, for publication in the U.S.A., and did not seem to be above selling what he had to any interested party.

It was arranged to find out something about HARGREAVES's military record, since he had claimed that he had these documents with the authority of the Intelligence School, for the purpose of a write-up. We also decided to ask Bernard NEWMAN to attempt to persuade HARGREAVES to return the documents, and if he refused to do so, to tell him that the matter would have to be reported. We do not want proceedings as it would be undesirable that Jimmy Dixon should appear.

Herbert, des Graz, Montgomery Hyde, Grogan, Hill, Cumming and Poston came to discuss war censorship plans. They wanted us to vet their key personnel, and subsequently all their personnel. They also wanted us to help them with vetting of local personnel in such places as Malta and Trinidad. This is easy where we have a D.S.O., but in Trinidad the matter may be more difficult.

We have agreed to do what we can. Censorship will have stations both at Malta and Trinidad, the latter because they feel that the Russians will attempt to stir up trouble in South America. As in the last war, they will operate with the assistance of the navicert system. At the outset they will try and cover all communications to and from Scandinavia, Spain, Portugal, Italy, Turkey, Greece, and South America. They will check by telecommunications. They hope that we shall have a D.S.O. in Trinidad, to give them the same assistance that they got in the last war. This, of course, is an added reason for our reopening in the Caribbean.

For minutes of the D.G. meeting held to-day, see file in D.G.'s Sec's cupboard. (Directors)

5th October.

For minutes of D.G. meeting held to-day see file in D.G. Sec's cupboard.



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Saffery has been drawn in to examine certain equipment used by the Germans for microphoning. This equipment is known to be in the hands of the Russians. Our testing apparatus would not disclose that these telephones are doctored; it may be, therefore, that all our Embassy telephones will have to be checked again.

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6th October.

We have a telegram in from the Far East about Colonel who is said to be organising ex-Force 136 officers to assist the Karen revolt in Burma. is at present in Calcutta.

We are trying to find something out about He is an ex-I.S.L.D. man and we have slight suspicions that he may still be so employed.

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The question of C.S.D.I.C. in Singapore has arisen, but Grey is not quite ready for it. We have certain suggestions to make when he is.

Dalley has again blotted his copybook by telling an officer of Security Control in Calcutta that he might expect a Communist revolt in India within a month. This has gone through to D.I.B., who are rather worried and want to know what is behind it.

While such a thing is always possible, there is probably nothing behind it except Dalley's imagination. This is a typical example of the kind of irresponsible things that he says.

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At the J.I.C. to-day I showed the Planners' paper on Far Eastern strategy to Roskil and Hawtrey (Hayter was not present). Neither of them appeared to have seen it.

While Roskill thought that some qualifications might be necessary in regard to the analogy with Japan's southward move during the war, they were both in substantial agreement that the basic assumptions in the paper were open to considerable doubt,



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and that the whole question should be discussed in the J.I.C.. They both made a note of the number of the J.I.C. paper and proposed to have its discussion placed on the agenda even at this somewhat late hour.

I said that we had not put this matter forward officially because we felt, firstly, that it was more a matter for the Services, and secondly, that the whole situation was so fluid that it was difficult to provide any firm evidence as to what was likely to happen between now and 1957.

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The D.G. has had a letter from Hemblys-Scales who has visited Sydney. The situation there in C.I.S. is deplorable, as it is elsewhere. They have four private motor-cars, the numbers of which are all known, and twelve agents, who are equally well-known. The most that can be got out of the Post Office is a sight of the envelopes being sent to certain suspect individuals! The local C.I.S. representative was full of complaints. Meanwhile, Chifley is highly incensed at the American hold-up. He has decided to set up a Security Service, with our assistance, and has said that the "bloody" Americans can have a liaison officer of their own if they like!

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At the J.I.C. to-day Beach reconnaissance in Eire was discussed. Apparently the G.O.C. has already mentioned the matter to McKenna and received a favourable reply, although McKenna does not realise the magnitude of the task, he had suggested that the work should be done by one British officer and one Eire citizen. An enormous paraphernalia is, however, required.

I said that I thought if McKenna was co-operative, it would be better to deal with the question through him rather than to get Rugby to make an approach on a high political level.

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I had a talk with \_\_\_\_\_ at the Club and he told me that he was going out to the Far East for a year to try and build up S.I.S.'s organisation.. Donald Prater has been recalled and Ross-Smith, from the Middle East, has taken his place.

\_\_\_\_\_ is to attempt to set up two organisation, one to operate in peace and one in war. He told me that recently he had heard from Bill Stephenson, who in the present situation was desperately anxious to ensure for himself some intelligence role in the event of hostilities. 'C' had so far put him off, but \_\_\_\_\_ had been asked to approach 'C' before his departure to the Far East. He wanted to know whether we should object if S.I.S. gave Bill any post in the Caribbean to look after S.I.S. interests. \_\_\_\_\_ had the same misgivings as I had, namely, that if Bill were given any position, he would immediately set up a huge office. \_\_\_\_\_ thought, however, that this could be controlled more easily than Security Co-ordination, where Bill was serving so many masters.

I said that while I had no personal feelings against Bill, and in fact liked him, I should be afraid that he would extend his tentacles everywhere. Moreover, who ever went to the Caribbean would obviously have to have considerable dealings with the U.S.A. and the old trouble with Hoover would start again.

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Verneuil was dining with Roberts, Le Man and John Marriott. I had a talk with him after dinner. He was extremely friendly and told me several quite interesting stories about his "ecoute". It seems that the Russians are singularly indiscreet. Anna Pauker, for example, presumably on behalf of the Cominform, was telling the \_\_\_\_\_ what the policy of the French Communist Party should be and the names of agitators who were due to arrive.

Verneuil could hardly believe such an indiscretion possible, but by observation discovered that the agents did in fact arrive.

Money to France appears to be passing through a Swiss bank.

There is no doubt that France is a profitable field for ascertaining Russian form, since everything there is far more open than it is here. Verneuil is very anxious to get as close to us as he can.

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The Admiralty are worried about divergences of opinion between the J.I.C. and the Chiefs of Staff on the strategic intentions of the Soviet Union. Our J.I.C. and J.I.C. Washington appear to agree that by 1957 the Russians may well be in a position to wage war on a large number of fronts simultaneously:-



- (i) A campaign against Western Europe, including Italy;
- (ii) An aerial bombardment against the British Isles;
- (iii) A campaign to seize control of the Middle East, including the Suez Canal area; Greece and Turkey.
- (iv) A campaign against China and South Korea;
- (v) Air and sea operations against Japan and the U.S.A. bases in Alaska and the Pacific.
- (vi) Small one-way air attacks against the U.S.A. and Canada;
- (vii) A sea and air offensive against Anglo-American sea communications;
- (viii) Subversive activities and sabotage against Anglo-American interests in all parts of the world.

The Soviet forces for this purpose would be something like 12,300,000 by 1956. They could mobilise 7,300,000 by D + 30, and within a year twelve to fourteen millions.

There are, of course, many unknown quantities in these estimates, both as regards manpower and production, and any estimate of their capabilities is, to a large extent, crystal-gazing. The main contention of our Chiefs of Staff is that in preparing the appreciation, the J.I.C. have not paid sufficient attention to Russian psychology, that experience has shown that the Soviet Union, unless invaded, would limit her strategical objectives; that Russian possibilities were greatly over-estimated, and that it was doubtful whether 155 Divisions, 1,500 heavy bombers with 20,000 other aircraft in peacetime was within the economic capabilities of the Soviet Union, and lastly, that the Russian command would not be capable of handling several large campaigns at once.

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8th October.

Colonel Munn of S.I.S. came to see me about giving a regular lecture about once a month to S.I.S. students. He said that normally they knew nothing about M.I.5, except what they might have seen from time to time in the Press. He felt, therefore, that it was desirable that they should know something of the structure and functions of the office.

I arranged for Courtenay to give them a lecture. It may be good policy from our point of view to vary the lecturer from time to time; it gives junior officers an opportunity of collecting their thoughts and focusing their attention for a brief moment upon what the office is trying to do as a whole.

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11th October.

For minutes of D.G. meeting held to-day see file in D.G. Sec's cupboard.

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Du Plooy has arrived for the Dominions Security Conference. I asked him how he found things on his return to South Africa. He seemed to think they were settling down nicely and that Palmer's position was quite secure.

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R.J. Maunsell rang me up from Oxford. He said that an ex-informant of his in S.I.M.E., by name \_\_\_\_\_, who is I gather of Jewish extraction, had rung him up from Geneva to say that he had a matter of great importance to communicate, could R.J. possibly meet him in Paris.

I passed this on to 'C', with the suggestion that might wait on the Consul in Geneva, since R.J. could not possibly go to Paris. 'C' agreed and said that he would so inform his representative. I passed this decision on to R.J., who said that he would speak to at 9 o'clock on the telephone.

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Perfect came to talk to me about his work. He felt that it was impossible for the R.S.L.Os to do their work satisfactorily without some motor transport. While they could go down to C.Cs' conference by train, this did not fulfil any useful purpose unless they could afterwards go round the area and get into touch with Superintendents and Inspectors of Special Branch in their own offices. It was only in this way that they could stimulate police action.

Personally I am inclined to agree, although I was against giving Perfect and Kirby-Greene each a car to use as and when they liked. I said that I would raise the matter with the D.G., which I subsequently did at his meeting. The D.G. agreed that facilities should be given.

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John Marriott came to see me about the Czech case.

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Our Minister in Prague is anxious to have details of the case against ZEMAN and ZATRAPALEK, as the Czechs have asked for the withdrawal of Gibson, who in fact has already



left, and Merton, the Air Attache. The Minister blew up when the Czech who came to see him told him that no grounds had been put forward, and that in fact no grounds existed - it was merely a tit-for-tat policy.

It is, I should say, extremely doubtful whether any grounds existed with regard to the Air Attache, unless very indirectly he has been assisting in the escape of Czech defectors.

We have replied that a matter of principle is involved in disclosing information of this kind. Even if we were able to do so in this case, which I doubt - owing to the sources of our information and our agent, who is still in position -, there may well be cases where it would be quite impossible to disclose information; we should then invariably be open to the accusation that because we did not disclose the facts we had none to offer.

The only possible action for the Foreign Office that I can see is to pick up some perfectly innocent Czech diplomat here, in addition to ZEMAN and ZATRAPALEK, and to say that this man is being expelled, not because we have anything against him, but because the Czech Government, by their action in the case of Merton, have forced us to retaliate. But this, of course, I gather does not appeal to the Foreign Office.

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Roger Hollis went over to Paris last week, where he met Evatt. He talked with him for some hours. Evatt was extremely co-operative and all in favour of getting security in Australia on a proper footing. He did not appear to know of Chifley's intention to set up a Security Service under his own direction. Hollis discreetly did not mention this.

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12th October.

For Minutes of the D.G. Meeting held to-day, see folder in D.G.'s sec's cupboard.

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Kirby Green and Martin came to see me about the operations of the mobile vans. It was agreed that they should inform the Police chiefs that these operations were likely to occur from time to time, and that they should give specific advance notice to the Area Superintendent concerned when an operation was to be carried out.

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Giles Isham came to tell me that there was some move in the British Zone to allow the Germans to set up an intelligence organisation of their own. They were contending that the Laender Governments must keep themselves informed about the activities of revolutionary parties in their area. Bruce Lockhart is apparently coming over to discuss it.

I said that once the Germans were allowed to have their own Government, it would be difficult to deny them the right to set up some kind of a service. I reminded Isham that by 1920 they had already set up a service known as the Kommisariat fur Offentliche Ordnung, which was in fact dealing, ostensibly at any rate, with movements of the Left. It was staffed by Dr. WEISSMANN, who employed ORLOV, late of the Russian Ochrana, a Balt of the name of BARTELS and a dubious individual called STRAUS, who subsequently became German Consul in New York. Later the organisation was clearly concerned in preventing the Allies from detecting infringements of the Versailles Treaty.

If the Germans are now allowed to set up a similar organisation, it might be possible to control it to some extent through a British representative in some executive position, but the Germans would undoubtedly keep information from him if they thought it expedient to do so. I felt, however, that there would be little use in denying them the right to have an organisation at all, since it would only lead to their having a clandestine one.

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Roskill sent Captain Cazalet, who is doing the I.D.C. course, to see me. He had certain information about a man called COLLET, who is something of a trouble-maker in the Seychelles. He said that Abrahams, the local adviser to the Colonial Office, was anxious to know whether this man was in fact a Communist, but was in some difficulty in making enquiries since COLLET appears to be a friend of Creech-Jones.

COLLET is residing in the U.K.

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13th October.  
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We gave a cocktail party and lunch for the delegates from the Dominions for the Security Conference. I talked to George McClellan and Bill Crean afterwards.

I told Crean that they would probably be hearing a good deal which they knew already, but that we very much valued their support because the other Dominions were far behind Canadian standards. The more, therefore, that they could say about what they doing the better; it would come better from them than from us.

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14th October.

I gave a short talk on the organisation and functions of the office to officers from the Ministry of Supply. We are giving them a course here.

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I had lunch with van Moyland, when he gave me certain information about the arms traffic which he had received from Goosen.

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One of M's agents has interested Jimmy SHIELDS in a proposal to obtain an agent in M.I.5. I have said that it might be dangerous to go too far, and that I did not see quite where we were getting. If the agent were established, the name and address would probably have to be given. In any case some information would have to be forthcoming. It would be difficult to maintain this for long without the situation getting too hot for us to hold, although there might, of course, be suitable opportunities for some form of deception.

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Monier-Williams of the Board of Trade telephoned to tell me about a Mrs. KAUNITZ, an American student of 2, Peter Cooper Road, New York City 10, and 9, Walton Place, London, S.W.3.



This woman, who was introduced to the Board of Trade by Douglas Jay of the Prime Minister's Staff, states that she is writing a thesis on industrial estates. For this reason she desired to visit certain of our industrial estates in this country and was given introductions by the Board of Trade.

Scottish industrial estates have not told the Board of Trade that they are worried about this woman, because, in her conversations with certain members of the company, she seems to display pro-Zionist and pro-Communist views, and because she has asked for copies of estate plans and aerial photographs. She has been told that she cannot have these as none are in existence.

Monier-Williams is trying to find out more about this woman from Douglas Jay. Meanwhile he has asked whether we can help.

After ascertaining whether there any records here, (presumably there is a Home Office file in connection with her visa application, and possibly registration particulars) we might make some enquiries through the F.B.I.

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15th October.

At the J.I.C. to-day the question of Russian intentions was discussed. Hayter said that at a meeting with the Dominion Prime Ministers, the Prime Minister of Ceylon had stated that the Russians were making approaches to the Singalese Government regarding the purchase of rubber; he would like to have some guidance. He was quite ready to turn the Russians down if other suitable arrangements could be made to purchase the stocks. Bevin took the line that it was difficult to impose economic sanctions against a country which had not been declared an aggressor. The Prime Minister of New Zealand replied that this was hardly a valid argument, since should the Security Council decide that Russia was an aggressor, the U.S.S.R. would always exercise the veto. Wilson of the Board of Trade followed, rather weakly, with a statement that under the Trade Agreement Russia was purchasing rubber and other commodities in exchange for grain and other commodities which we required. It was also pointed out that the Russians were obtaining a certain amount of rubber from Malaya. The whole matter was left rather in the air; it is, however, to be reopened because J.I.B., on reliable information they have received, have reached the conclusion that the Russians have procured as much rubber as they need for peacetime purposes, and that there are indications that they will henceforth be stock-filing for war purposes.

Hayter stated that Malcom MacDonald had made a speech at the last meeting of the Russia Committee of the Foreign Office.



He had given a fairly optimistic statement about Malaya. He thought the position was now fairly well in hand. As regards Hong Kong, while there was no doubt that it was being used as a centre for the dissemination of Communist propaganda in South China, it would be unwise to take any drastic action until the troops, which were loaned to Malaya, had been returned to the Island. He anticipated that if action were taken against Chinese Communists in Hong Kong, there might be disturbances.

'C' stated that General Nye, who is to be our new High Commissioner in India, had taken exception to even an embryo organisation of S.I.S. being set up in India, and had so informed the Prime Minister. The matter was, however, being taken up. 'C' was optimistic about starting up some show in Pakistan with the connivance of D.I.B.

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Crean and McClellan lunched with me at the Travellers.

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The D.G. saw Malcom MacDonald, Lloyd, Seale and Paskin at the Colonial Office last night, to discuss the position of DALLEY.

Malcom MacDonald put forward a strong case in DALLEY's favour. He said that he was the only person who had supplied reliable information, that the Police had taken no action, and that a number of people in official positions regarded DALLEY with high esteem.

The D.G. said that during his stay in Malaya, Langworthy, the Commissioner in the Union, had complained to him about the reprimand he had received from Gent that certain activities were going on on the border about which he seemed to have no information. Langworthy had said that he had received no information from DALLEY and that, having no Special Branch and no funds, he was powerless to act.

The D.G. then reminded the meeting that DALLEY had employed Foulger's C.I.D. in Singapore to carry out raids, without even asking his permission.

The D.G. concluded by saying that both for internal reasons and external reasons, he could not possibly contemplate having DALLEY either as Head of S.I.F.E. or in any subordinate position. Prior to this, Paskin had informed the meeting that DALLEY would not take a subordinate position - it was Head of S.I.F.E. or nothing.

MacDonald was quite undeterred, and the meeting went on for nearly two hours. Finally, the D.G. said that if the



Colonial Office could find DALLEY a post for six months, he would, provided that DALLEY did not blot his copybook, be prepared to consider his name among others for Head of S.I.F.E.

I gather that the D.G. has no intention of employing DALLEY.

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We have had a Russian, his wife and child, named FEDEROVSKY, wished on us from the Middle East. FEDEROVSKY who is a Major in the Soviet Army, defected from Germany as he wished to marry a Rumanian of Hungarian origin. He posed as a Polish refugee and was sorted out in a camp in Cyprus. He was apparently told in the Middle East that he would be given a job as a doctor! This not quite so simple as it sounds!

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18th October.

For the Minutes of the D.G. meeting held to-day, see file in D.G.Sec's cupboard.

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Miss Harris came to tell me that a letter had arrived for Tommy from GARBO. He anticipates war and places his services once ~~more~~ unreservedly in our hands. He has a plan which he would like to discuss. I gather that he would begin by an approach to Soviet circles in Venezuela.

I have asked Miss Harris to acknowledge the letter and say that Tommy will give it careful consideration on his return early next month.

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KUH is at his old game. He is getting information about Benelux affairs, through a Belgian diplomat, and passing it on to the Czechs, from whom he hopes to get a quid pro quo. He later sends the information to America for publication.

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R.J. Maunsell telephoned to say that he had heard from his contact, who had arrived in Frankfurt,. He wanted R.J. to follow things up here as he would know more about the personalities involved. R.J. will be in town on Wednesday and will look in.

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19th October.

Robert Stephens looked in. He has toured the whole of the West African coast from Dakar to the Belgian Congo. He seems pleased with his new job and said that he met with certain difficulties owing to Kellar's report having been passed down by one of the Governors to the Police.

This is the one thing that Kellar had feared, and he had in fact made a particular point in urging that this should be avoided at all costs when he sent his report to the Colonial Office. However, Stephens seems to think that he has smoothed matters over. He has visited both the French in the area and the Belgians, who are co-operative.

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A serious view is taken of this, since negotiations with the Argentinians for the purchase of further stocks of linseed are pending. About a year or so ago the Argentinians, seeing that we were bulk buyers, decided to become bulk sellers, with the result that the Government had to pay an enormous price. The deal, which was the inevitable result of State trading, was subjected to severe criticism in the House.

Firth said that he had seen Sir Percivale Liesching, Permanent Secretary to the Ministry of Food, to whom he had shown the telephone conversation. Liesching is trying to arrange for the removal of PAIN on grounds of age (I believe he is 65), but if he is not successful, he would like us to make enquiries with a view to establishing PAIN's guilt without involving the source of the information.

Such an enquiry would, of course, be difficult and delicate. We might put PAIN on a telephone check and obtain some information which would enable us to get the necessary cover, but this is by no means certain. This would, however, be subject to the D.G.'s view as to whether we should embark on an enquiry of this kind. We have ceased to conduct anything in the nature of Black Market enquiries, on the Prime Minister's specific instructions. This case, however, is of a slightly different nature, since it constitutes leakage of Government information to a foreign power.

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Vickery and I saw the D.G. about Ahmed. The D.G. has agreed that we should pass our information to Ahmed for further distribution.



to the D.M.I. if he thinks it necessary. He wants, however, the position to be quite clear to Cawthorne and proposes to speak to them both simultaneously. Ahmed says he is not in a position to appoint a liaison officer here, for the simple reason that he has only two intelligence officers apart from himself. He thinks, however, that in about six months time he may have someone available. Meanwhile, he does not want us to send anyone to Karachi. The reason is, I think, that he fears criticism that he is allowing the British to establish an intelligence post in Pakistan. If he had someone from Pakistan here, he would be in a better position to counter such accusations. He would like, however to correspond with us through the bag and to have cipher communication.

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For Minutes of D.G. meeting held to-day see file in D.G Sec's cupboard.

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Des Graz came to consult me about Hawkins doing a course with Hedger. This was agreed.

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Cumming and Saffery came to talk to me about a letter the Post Office had had from Sir Orme Sargent, suggesting that in future all security work on Embassy telephones should be carried by Gambier-Parry's minions.

Saffery has no confidence in Gambier-Parry's people. Their function is purely to see that any outsiders who come to mend the telephones or to effect structural alterations do not insert microphones. In the ordinary course there should be no reason for any foreign telephone engineer to enter the house at all, since our Post Office take over as soon as the line enters the building.

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20th October.

Vickery brought Ahmed to see me. We had quite a long talk of a general nature on intelligence organisation. He was extremely friendly and is ready to receive a liaison officer from us in Karachi as soon as he can provide an officer to conduct liaison with us in London. He does not wish to do so before as this may involve him in political complications. Meanwhile he would like us to correspond with him by bag and to establish cipher communication.

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Stephens is asking for a Czech translator and Post Office equipment, and an adviser on Censorship, to be sent out to West Africa. I told him that until a case was established against the Czechs - he had in mind employees of the Bata Shoe Company - it might be a bit early to send out a Czech translator, who incidentally, would be pretty difficult to find. I thought that we ought to explore how the mails went; it might be that we could intercept them in London. If not, they should be sent back here for translation and, if and when they disclosed anything serious, we would consider sending someone out. As regards censorship, I told him to have a talk with Malcom Cumming.

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21st October.

I took the Chair at the Dominions Security Conference at the C.R.O. The meeting had several papers before it which were discussed.

The general impression that I gained was that Canada had the right ideas and were already doing quite a lot; that Australia said that they were doing everything, but in fact were doing very little and indeed had no effective machinery; that many of the finer points did not worry New Zealand, who, for example would not hesitate to remove anybody from any position where he might do harm, without any fear of political complications; that South Africa were extremely co-operative and anxious to model themselves on our lines, in so far as their police system would allow, and that Southern Rhodesia took the same view, although they had not much of a problem to deal with.

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Commander FARRANT came to see me on the recommendation of Stephen Roskill. He is an ex-Naval Officer with extremely good recommendations, but I should say would do a good administration job. He is very presentable and gets on well with others.

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Derek Hamblen came to talk to me about the case of TULLOCH, late of Force 136, who is believed by the Burmese Government to be intriguing with the Karens. He had been in communication from Calcutta with one, CAMPBELL, a journalist in Rangoon. CAMPBELL had also been in Force 136. Both of them had been given away by a rather unpleasant character called SYMONS, who is a steward on one of the B.O.A.C. flying boats to the Far East. SYMONS had been asked by CAMPBELL to carry letters to TULLOCH, which he had opened and handed over copies to the Burmese authorities. In consequence CAMPBELL had been arrested, to the embarrassment of H.M.G.

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R.J. M aunsell and Oldfield discussed with me the case of an ex-S.I.M.E. agent who has been in touch with Jewish intelligence. Oldfield and Scherr are going to work out details together and pass the case to S.I.M.E. for exploitation if possible.

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I have given Van Moyland Notes on Munitions Security and particulars of a new contract which our supply departments propose to have in future when placing secret contracts.

Van Moyland is anxious to have this information as a committee is sitting in Holland to frame legislation for the safeguarding of secret contracts.

Incidentally, the Dutch are framing a law to prohibit the issue of a passport to any Dutch subject who is thought to constitute a danger to the State. This will cover Communists.

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22nd October.

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At the J.I.C. to-day Kenneth Strong talked about the marked eagerness of Russia to obtain rubber, for which they were offering very high prices. He thinks, from the point of view of war, this may have a long-term significance.

D.M.I. drew attention to the fact that the present Metric system did not cover the Western Union Commanders-in-Chief organisation recently set up. It was realised that this raised a very difficult and delicate situation, since if the latter organisation was to work at all, obviously they would have to be briefed on the Order of Battle and other highly secret matters. The SIGINT aspect of this problem is to be discussed



at the next meeting of the SIGINT Board. Hayter drew attention to the unsatisfactory composition of the Metric Committee, which consists largely, of course, of diplomats instead of security personnel. On the basis of a memorandum we have submitted, he intends to raise the matter through the Foreign Secretary.

There was general sympathy with a proposal put forward by A.C.A.S. (I) that, since the movements of our Attaches in Moscow had now been almost totally restricted, similar tactics should be employed here, even though they might not be particularly effective.

Although the Foreign Secretary has set his face against retaliation on similar matters, an attempt is to be made to get him to modify his views.

Broadly, the proposal is that all diplomatic personnel should be instructed to report their movements if they wish to go outside the thirty mile radius. There may also be other restrictions. The Home Office are to be consulted.

As regards the Trade Delegation, it was felt that it would be difficult to request any reduction of staff as long as it was the policy of the Government to trade with Russia. The number of eighty was not considered to be excessive for a State trading organisation. It was pointed out, moreover, that unless the Russians were given facilities for inspecting the goods which they purchased in this country, cases arose of their alleging that the goods did not come up to specification and refusing to pay. There was, therefore, some advantage in getting a certificate from Russian inspectors in London before the goods were despatched.

I told the meeting that the Russians were in touch with some 214 firms, 8 of which had secret contracts, but that we had no evidence of espionage by members of the Delegation, although we regarded it as axiomatic that they would pick up a certain amount of data off the surface. We did not know what actual business resulted from the various contacts that the Russians made.

'C' said that General Nye had got an undertaking from the Prime Minister that no S.S. activities would be carried out in India. Representations have been made to the Foreign Secretary, but the latter declined to intervene.

The J.I.C. decided to inform the Chiefs of Staff of the position. The Ds. of I. will suggest to the Chiefs that they might get hold of Nye and tell him that, as he has thrown a spanner into their works, they would be interested to know how he was intending to fill the gap.

I told the meeting about our negotiations with Ahmed. 'C' mentioned that he too had had conversations, and that he hoped in due course that he might be able to establish himself with the



concurrence of the local authorities.

D.M.I. mentioned that Pakistan is extremely apprehensive about an attack by India. He wondered what we were doing about supplying Pakistan with arms. If we did not, he thought they might well go to the Russians.

Negotiations for Beach reconnaissance in Eire have been successfully concluded between G.O.C. Northern Ireland and McKenna.

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I attended a lunch at the Dorchester for the Security representatives with Gordon Walker ~~in the chair~~, Parliamentary Under-Secretary to the C.R.O., in the chair.

At the J.I.C. I had been shown, by 'C' and Hayter, pieces indicating that Bailey, the Australian Solicitor-general, had lunched yesterday with VORONIN of the Soviet Embassy and PRITT in his room at the Savoy Hotel. Hayter sat next to Bailey at the lunch and threw a fly over him, but got no rise. It was agreed that we would look into the matter.

-----  
Harry, Vickery and I had a meeting with General Cawthorn and Ahmed. We told Cawthorn that in our view it would be preferable for us to conduct a liaison with Ahmed and to trust to his good offices to pass on to the Pakistan D.M.I. any information which might concern him. Cawthorn was at first a little difficult about this, as his blueprint lays down that the military are responsible for their own security and, indeed, in some measure counter-espionage within the Forces. Harry successfully rode him off by saying that his officers in London should establish contact with the security officers of the three Services. This view was finally accepted.

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23rd October.

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25th October.  
For minutes of D.G. meeting held to-day see folder in  
D.G. Sec's cupboard.



26th October.

Vickery came to discuss a letter which Admiral Parry has written to the D.G., in which he announced that an official request from the Minister of Defence in India has come in to the P.M. through Krishna Menon for somebody to go out and put the Services and D.I.B. straight on matters of security. It is not clear whether this has been done with the knowledge of D.I.B., and evidently Parry has forgotten that we have a liaison officer in Delhi. Moreover, it is a bad idea to put anything through Krishna Menon.

Vickery thinks that as the request has already been made, there is nothing that we can do until it reaches us. We will then suggest that if the Services want assistance they will do better to send officers over here, since the job is obviously one that they will have to do themselves.

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27th October.

At the J.I.C. to-day Sir Marston Logan said that Woolley, Governor of British Guiana, is worried about security in his area. I told Marston Logan that I had seen Page in Washington and that he had suggested that we should re-establish ourselves.

I discussed this with the D.G., who agreed that until something is done about the Police we should probably be wasting our time. We thought that it should be the first task of the newly appointed Colonial Police Inspector to visit the Caribbean area, and I suggested that possibly Thistlethwaite might go round with him. As soon as we could get the Police on their feet, we would consider sending an officer to Jamaica, whom Page was quite ready to have on his staff.

Logan viewed this proposal with favour and suggested that we should initiate discussions with Lloyd.

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I had a discussion with Max Knight, Mitchell and Cumming about a proposal to provide the Communist Party with a suitable agent in M.I.5. The initiative had come from the C.P.

I pointed out that the proposal was a difficult and delicate one, since sooner or later it would be difficult for us to conceal names and to refuse a certain amount of information without



jeopardising the agent's position. If these difficulties could be got round, I was all in favour of going ahead.

The proposal is that M-7 should apply for an intelligence job in the event of war, through A.G.23; he might then be notionally taken on in Cookie's Port and Travel Control Group. This would have the effect of keeping the ball rolling and might draw the C.P. in an interesting way.

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28th October.

Roger has completed his note on the implications of the Dominions Security Conference on our relations with S.I.S. He thinks that not only should we control the proposed section for the study of Russian and satellite intelligence services, but that we should seek a revision of our Charter, which would give us the right to establish posts abroad where it is profitable to do so. He feels that, apart from our own responsibilities, we have a very definite one to the Dominions in the matter of keeping them informed about Russian activities. He feels, too, that the Benelux countries are equally important to us from a defence security point of view, and that, therefore, direct contact with them is essential.

Personally I entirely agree with him, although it is difficult to say whether it is expedient to take the bull by the horns. Roger argues that the moment is opportune in view of the Prime Minister's interest in the Dominions Security Conference, and the efforts that are being made to improve Benelux security.

Hill came to tell me that he had had a request from Johnny Cimperman for information about KUH. It seems that Carey Foster has spoken to some security officer in the American Embassy about KUH on the basis of our information, and has said that M.I.5 would provide further particulars.



I rang up Hayter and pointed out to him how undesirable this was. Hayter said that he had just had a draft letter put before him from Carey Foster to Irvine. He agreed with me that it would be extremely difficult, and probably undesirable to take any drastic steps about KUH, and he felt that we should reply to Cimperman that the approach made to the American Embassy was only on a very low level and that he had better, therefore, forget about it.

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We considered a note by Stephens on West Africa, which showed the places that he had visited. He had, of course, seen all the Governors and Police of the four colonies. He had also made contact with the French in Dakar and Brazzaville and with the Belgians in the Congo and in Leopoldville. He found them all co-operative. He seems to have got a somewhat alarmist view about the whole situation in West Africa. Although his fears may be well-founded, it is not very clear to me on what they are based! His first difficulty is over staff. He needs an assistant and at least two members of the female staff. We are having great difficulty in getting volunteers. He has got the Governors to impose censorship, but he would like a representative from the Post Office, with the necessary equipment, to show them how to do the job. This was agreed. He was also anxious for a Czech speaker, who could translate any correspondence intercepted between the Bata Shoe Company and Prague. It was felt that this was hardly justifiable at the present stage; it seemed that we should probably intercept a good deal of the correspondence between West Africa and Prague which was routed through this country, and that for the rest it would be better to send it back here for translation. If it appeared that anything serious was going on, we could reconsider the question of sending out a Czech translator. It was, however, agreed that there should be periodical conferences between East and West Africa, particularly since there would be contact with the Congo from West Africa and also from Salisbury.

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For minutes of the D.G.'s meeting held to-day, see folder in D.G. Sec's cupboard.

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The D.G. has ruled that I am to look after the Police Liaison Officers, who will henceforth be detached from S.L.B., although in their spare time they can take on any jobs that Hill may have.

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A Mr. Keith STEPHENS, recommended by Nott-Bower, came to see me. He wants employment. He made a good impression; he is an old Wykehamist and has taken a good degree in history and modern languages.

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3th November.

I lunched with Auberon Herbert. He is now secretary of almost every Anglo-Polish committee. He was worried about what he described as deliberate interference with Poles in South Wales mines, and attempts by the Seamen's Union to keep Poles out of seamen's jobs in Liverpool.

I said that if he would get the facts down for me on paper, I would look into it and see what could be done.

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I saw Johnson with the D.G. The former is the new Inspector General of Police attached to the Colonial Office. We discussed his future work. It was agreed that, subject to Colonial Office approval, he should go first to the Caribbean, which he could visit with Thistle, and secondly to West Africa. He is coming here to study our files.

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Mann came to see me. I gave him a general talk about Russia and explained to him why all the machinery was being overhauled. There was a good deal of uncertainty in Police circles, largely due to the Home Office having called together a few C.C.s some months ago, when things in Berlin were boiling up. Other Chief Constables, of course, heard about this and, on the basis of a little knowledge, were talking in rather a alarmist way. I told Mann exactly what we were doing and what we required of the Police.

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4th November.

The following points emerged at a conference of Immigration Officers which I attended last week.

1. Traffic Index.

There are now 1,800,000 cards and each clerk has to deal with a block of 40,000 in the live index. Great difficulty is experienced over Belgian and Dutch names, particularly in the cases



of women, who frequently use their married name on the passport and their maiden name on the landing or embarkation card.

I am suggesting to Perks that, as we are now closer to the Belgians and Dutch on account of the Western Union Treaty we might get them to institute some measures which would improve this situation, if he will let me know exactly what he requires.

I understand that seamen who are coming here on contract to join ships and arrive as passengers are not in the Index at all.

10,000 Germans have been landed here in the last nine months, 1,900 of whom were German fiancées. Harwich say that they cannot cope with this situation if all these people are to be conditionally landed. Coombes of the Immigration Department, who had been in Germany, was opposed to granting unconditional landing, on the grounds that owing to conditions in Germany there was an increasing tendency for them to stay here.

It was, therefore, decided that conditional landing should be maintained, subject to the discretion of the Immigration Officer, in special and very obvious cases.

Very brief particulars will always be given on the back of the landing card, but reports will not be submitted in future unless the case is a suspicious one.

I understand that a special commission from the Ministry of Labour is studying the amenities, or lack of them, at all ports. An attempt is to be made to improve the general layout and to provide better accommodation. This should in turn make it easier for Immigration Officers to conduct their examinations.

As I think you know, the Aliens Order provides only for entering by sea or air. This means that if an alien enters Northern Ireland from Eire he has committed no offence under the Aliens Order. It appears that if the Ministry of the Interior in Northern Ireland are prepared to make representations to the Home Office, the latter would take steps to get the Order suitably amended.

I have written to Roger Moore, tactfully suggesting that he might give his Ministry of Interior a prod.

There has formerly been a serious gap in our control of aliens through the Isle of Man, but this is now being remedied.

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189.

5th November.

Colonel Stratton, formerly one of our S.C.Os, who is employed in the printing and advertising section of Imperial Tobacco, came to see me about a calendar which he had been asked to print for West Africa. At the top of the calendar are pictures of all the leading political negroes in the Gold Coast, including Nkrumah and others who were arrested in the Gold Coast riots. The calendar is obviously being got out for political purposes.

We got Goresuch of the Colonial Office to come over and look at the calendar. He said that two somewhat similar cases had already been brought to his notice. He had discouraged the execution of the order, but he does not know what ultimately happened.

It was agreed to let the order go on. Stratton will inform us when and how the shipment is made. About 100,000 copies of the calendar are being printed; some of them obviously for circulation through the post.

I lunched with Peter Hope. He wanted to talk to me about Elsie THOMAS, formerly Vansittart's and Cadogan's secretary, and now doing Foreign Office welfare work.

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After examining the files, I told Peter that he could tell Mrs. Watts that M.I.5 were not responsible for her husband's recent dismissal from the British Society for International Understanding - whatever that body may be.

Hope told me an interesting story about the safes in the British Embassy in Moscow. A safe had recently been delivered at the Norwegian Embassy: the Soviet officially stated that it had come from Norway. The Norwegians replied that they were not expecting the safe, but took it in. They discovered that it was really intended for the Norwegian firm in Moscow, but on examining the combination lock they found that it had been drilled in such a way as to enable anyone to open it easily by the insertion of a pin. The Norwegians told our Ambassador. He found the story interesting, as the Embassy had recently received two safes from England which had arrived in a somewhat damaged condition. It appeared as if the crates had been opened. On hearing the Norwegian Minister's story, he decided to have our safes examined; he found that they also had been drilled.



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As far as I can ascertain we have never been told about this, except in the form of a note which states baldly that the Russians are in the habit of drilling safes.

Why the Foreign Office did not remove the combination locks and send them in the bag, I cannot imagine.

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8th November.

Noel Wild came to tell me about a proposal that Monty should have a deception staff at his H.Q. I agreed with Wild that this was undesirable; deception should obviously be controlled by L.C.S., and the most that Monty would require would be a liaison officer. It also seemed undesirable that he should talk about the project to his foreign colleagues. This could be done if it became really necessary later on.



For minutes of D.G. Meeting held to-day see folder in D.G.Sec's cupboard.

I saw Peter Hope. I gave him a brief outline of the WATTS case. I said that my basic impression was that he was a rolling stone. I did not regard him as a security case. I suggested to Hope that he should discuss the case with Carey Foster. I told him that so far as Mrs. WATTS was concerned, he could say no more than that M.I.5. were not in any way the cause of his dismissal.

Derek Tangye came to tell me he had been run in by the Police for dangerous driving. He had been accused of being drunk, but when taken to the station had been completely cleared by the Divisional Surgeon. He asked me whether it would be in order for him to go and seek advice from Burt. I agreed to his doing this and rang up to tell Burt that he was coming.

10th November.

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Burt came to see me. I discussed with him the arms dealing case, where it seemed to me that there were possible grounds for prosecution. I told him that Thompson had indicated to us on the telephone that he would not intending to pursue the matter further.

Burt said that he would look into this and let me know the result. He telephoned subsequently to say that there was a general enquiry on this subject, with particular reference to Lord Elphinstone, and that he hoped that it might be possible to take action.

I then talked to him about the case of A.A. WATTS. I asked him to let me have a copy of a S.B. report alleging that in 1940 WATTS was attempting to obtain money by false pretences from refugees, and also to let me have the sources of his information which had apparently led to WATT's recent dismissal from the British Society for International Understanding.

Burt then talked to me about Cummings, with whom he had had long discussions about the King's visit to New Zealand. He said that Cummings was still a somewhat bitter enemy of M.I.5. Burt had been given the whole story of Folkes. It is quite clear that the old man has got a pathological obsession about Folkes, and that



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nothing we or anybody else could say would ever get it out of his head. Nevertheless, I told Burt that I would like him to read a note of mine on Mawhood and Folkes before he went out. This would show him quite clearly that M.I.5. had no responsibility whatsoever for sending out either Mawhood or Folkes, or for their subsequent actions. If he got an opportunity of ramming this home during his visit it would be all to the good.

Burt had seen quite a lot of Du Plooy, whom he thought was nervous about his position.

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I saw Kirby-Green and told him that he would in future be working direct to me, but that I would like him to help Hill whenever this was possible. He said that he thought he would have plenty to do for the next few months in getting the Police on the right lines, but that later on he would have time on his hands.

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11th November.

I saw Newsam about two H.O.Ws on Scottish Nationalists. I gave him full details, showing that these people were implicated with Welsh Nationalists in preparing bombs which they intended to use sometime in December.

Newsam was fully satisfied and intended to speak to the Home Secretary.

I then told Newsam about the case of the Hungarian, NAGY, for whom asylum in this country had been promised by Maxwell. Newsam agreed and asked me to arrange details with Paice.

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Charles, Harry Allen, Dick and I saw GOVE to-day. His experience after he left us was largely with Field Security Sections in Germany and he seems to have moved about all over the country. He refused an offer to go to C.C.G. on demobilisation, because most of his friends had then left that organisation. He was offered a job in P.C.D., which took him first of all to Paris for about six months and then to Frankfurt, where he has been ever since. He has recently married a girl in P.C.D., and his reasons for wishing to go to Kenya is that she should be with her mother, who is somewhat failing health.

We made it quite clear to GOVE that if he joined the Security Service there could be no guarantee that he would go



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to Kenya, although, in so far as it was consistent with the interests of the office, attempts were made to send people to stations abroad to which they particularly wanted to go. He would in any case have to do roughly a year at Head Office and would not necessarily get the next vacancy in Kenya. It was also made clear to him that tours abroad were usually for a period of two years, with a possibility of a further extension, but that the general practice was to move officers around either at home or abroad, so that even if he were sent to Kenya, he would not be there for more than two or three years.

He was told that the rate of pay would be £650, with yearly increments of £30 up to £750, and that after a year's probation he might be eligible for a jump to the next grade. He would also, after his year's probation, become eligible for the established staff as and when a vacancy occurred.

GOVE said that he was to have an interview with the Colonial Office on Monday, and that he would call here at 4.30 and let us know the result. Meanwhile, he expressed the view that he liked our kind of work and was anxious, if possible, to join the Department.

We thought, however, that his wife was likely to play a considerable part if the Colonial Office offered him prospects of getting to Kenya.

I spoke to Jeffes after the meeting and asked him why GOVE was leaving P.C.D. He said that GOVE had not resigned and that, from his point of view, he very much hoped that he would not. He had, however, told Jeffes about his mother-in-law and had asked his assistance in finding him a job which would take him to Kenya. Jeffes regarded him as quite one of his best P.C.D. officers. He had gone to Frankfurt at a time when the office was in a serious muddle and complaints were being received. Not only had GOVE straightened out all the difficulties, but he had got round the Consul, who had been difficult and obstructive, and had established first-class relations with the Americans. Jeffes said that he had plenty of initiative and that he had even succeeded in getting a motor-car out of the Americans to assist him in his duties!

12th November.

The D.G. has seen Bridges and we have prepared a memorandum, drawing attention to the ambiguities in our Charter and asking for it to be rectified in such a manner as to make counter-espionage the sole responsibility of the D.G., who



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should have the right, where necessary, to place his representatives abroad in a liaison capacity with his opposite numbers.

Bill Magan has written an extremely good note on the whole subject.

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15th November.

Hill and I went to see Sir Percivale Leisching of the Ministry of Food about a man called \_\_\_\_\_ who had been giving information on linseed prices to the Argentinians. He fetched down a man called Wall, who is dealing with his establishment side and whom he regards as being of the highest integrity. We are investigating the case of \_\_\_\_\_ and will communicate with Wall.

I told Leishhing that we had recently been approached by Murphy for assistance, but that unfortunately we were prohibited from dealing with Black Market cases. We had been able to operate in the case of \_\_\_\_\_ since here was clear evidence of a leakage of Government information to a foreign power. He said that he quite understood our position.

16th November.

For Minutes of D.G. meeting held to-day, see folder in D.G's sec's cupboard.

I lunched with Van Moyland to-day and told him that Felix Johnstone was to visit Phillips of Einthoven. I explained to him that as Mullards were a branch of Phillips, there were certain secrets that we wished to safeguard. He said that if it were of any use Gossen would be glad to help. I told him that I would let him know, but that I thought this was purely a security question affecting a particular firm.

George McClelland came to say good-bye. He is off to Canada to-morrow.

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196.

Wing Commander Saunders came to see me to-day. He is placing on the Agenda for the next L.C.S. meeting the question of an L.C.S. representative in the Middle East. I said that the position would be met if somebody on the planning staff in the M.E. were made the L.C.S. representative.

Saunders then talked to me about the proposal by Montgomery to set up a small deception staff at his Headquarters, and to acquaint his Benelux colleagues with the general terms. I said I felt the most that would be required would be one officer at Montgomery's Headquarters, who would act as a Liaison Officer with L.C.S. and that it would be inadvisable to say anything to the other countries of the Western Union, unless and until it was evident that to keep them in ignorance might lead to difficulties in the implementation of the plan, or to repercussions which might make them unnecessarily apprehensive.

John Marriott, who was present, drew attention to the fact that the French were running a large number of double-agents who were probably uncontrolled in so far as any deception was concerned. They might become an embarrassment if any plans of ours ever got going.

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Burt telephoned to say that he would be sending me a copy of the S.B. report on WATTS made in 1940, and that he had made enquiries about the origin of the recent report. He did not tell me the name of the informant, but clearly the information came from the British Society of International Understanding. He did not think that there was any bias in the report.

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One of the points discussed at the D.G.'s meeting to-day was the question of the abolition of the American visa. There were two points: (i) that the D.G. had been given no opportunity of speaking to the P.M. about the American visa before the matter was decided in the Cabinet, as Serpell saw Bavin, Sir Norman Brook's P.A., yesterday and it has been arranged that in future we shall see all the Agendas for the Cabinet Meetings. (ii) It seems necessary that we should ask S.L.O. Washington to speak to the F.B.I. and emphasise the importance of letting us know if they hear of any characters of interest to us who are coming to the U.K.

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18th November.

I saw Sir Frank Newsam to-day and explained to him in detail the position that had been reached regarding Orme Sargent's



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John Marriott, who was present, drew attention to the fact that the French were running a large number of double-agents who were probably uncontrolled in so far as any deception was concerned. They might become an embarrassment if any plans of ours ever got going.

Burt telephoned to say that he would be sending me a copy of the S.B. report on WATTS made in 1940, and that he had made enquiries about the origin of the recent report. He did not tell me the name of the informant, but clearly the information came from the British Society of International Understanding. He did not think that there was any bias in the report.

One of the points discussed at the D.G.'s meeting to-day was the question of the abolition of the American visa. There were two points: (i) that the D.G. had been given no opportunity of speaking to the P.M. about the American visa before the matter was decided in the Cabinet. ~~on~~ Serpell saw Gavin, Sir Norman Brook's P.A., yesterday and it has been arranged that in future we shall see all the Agendas for the Cabinet Meetings. (ii) It seems necessary that we should ask S.L.O. Washington to speak to the F.B.I. and emphasise the importance of letting us know if they hear of any characters of interest to us who are coming to the U.K.

18th November.

I saw Sir Frank Newsam to-day and explained to him in detail the position that had been reached regarding Orme Sargent's



197.

letter to Sir Raymond Birchall, suggesting that the time had now come for Gambier Parry's Maintenance Group to take over the initial inspection and subsequent technical maintenance of our missions abroad, and that as it was important that they should be kept abreast of all current developments, a liaison officer from the G.P.O. should be appointed.

I explained to Newsam in detail the position that had been reached. I said that there appeared to be nothing that either he or I could do until an official approach was made to the Home Office.

He thinks that the G.P.O. should have acted as we suggested, (i.e. that Birchall should have replied to Sargent in the sense that in view of the responsibilities carried by the Post Office in these matters, he was not prepared that they should be handled other than by his own staff and that as a result he was prepared to be responsible for the provision of suitably qualified staff from the Post Office to undertake inspection of the missions overseas) and he is quite prepared to say that in his view it would be undesirable to spread the knowledge of these matters to Foreign Office personnel. He will let me know as soon as he receives an official letter and will consult me about the reply.

19th November.

At the J.I.G. to-day A.C.A.S.(I) mentioned that his officers had been given an opportunity of interrogating two Russian Air Force defectors who had come across to the American Zone in Germany. One of these officers indicated that up to 60% of his colleagues felt the same way as he did and were only deterred by the uncertainties and repercussions on their families which might result. It seemed that the American broadcasts "The Voice of America" had had a considerable effect.

I saw 'C' to-day, who told me that he had heard nothing more about Fourcaud. He found it hard to believe that he was in the pay of the Russians.

22nd November.

The great trek to Leconfield House began to-day.

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23rd November.

Burt brought me over a document which had been picked up in the street in Streatham. It clearly originated in the Ministry of Transport and referred to war plans. It had written on it certain details about shopping purchases. It may well have been removed quite innocently. Burt is going to make enquiries.

24th November.

At the J.I.C. to-day the Secretary, Gardiner, mentioned to me that he listened to certain Russian broadcasts in English which occurred daily at 7 p.m. I think he said that they were on the 40 metre wave band. Apparently names and addresses of those in this country who write in to Moscow about Russian broadcasts are frequently mentioned.

25th November.

The D.G. held a meeting on appointments. It was decided to get Jack Morton back as soon as possible in order to prepare him for S.I.F.E. Ray will take over and will have to assist him.

Courtenay will be offered Australia. I gather he would be glad to accept.

Wagstaffe will probably go to Ceylon.

We are still without a No.2 for West Africa.

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26th November.

At the J.I.C. to-day it was decided to proceed with the recommendations of the Admiralty by getting out a list of important documents which have gone to the Dominions and Western Union. The matter will then be further considered.

I drew attention to Press leakages and Press rumours, which would have to be taken into account if any assessment is possible of what the Russians consider to be our interests, intentions and capabilities. I gather that one of the uses to which it is proposed to put this study is to assist the L.C.S. in their deception plans.



199.

30th November.

The Ds. of I. seem to be rather anxious to conduct anti-Communist propaganda in the Forces as part of the cold war.

Harry Allen thinks that we ought to give them some guidance. Frankly, we do not think it is a good idea. As long as the Communist Party is legal, we cannot spend Government money on preaching against it without creating an awkward precedent. It might well lead to a demand for anti-Conservative or anti-Fascist speakers. Lastly, unless these speakers were extremely skilled, which the average officer would not be, a left-wing in the audience would make rings round him. He might, moreover, be drawn on to embarrassing ground owing to the programmes of the Second and Third International being almost identical, except for the method by which they are to be achieved.

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I saw Air Commodore Paynter about a request by the U.S. Forces in this country to re-establish their own Post Office.

As a result of this talk I wrote to Burley of the Home Office, informing that we had no grounds for serious objection. We have established contact with the counter-intelligence unit of the United States Air Force, and hope to make satisfactory arrangements to cover our requirements if it is finally decided to grant the American request.

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I think, however, that we ought to clear up once and for all the position of the British Society for International Understanding vis a vis the War Office. According to a Special Branch report, the Society is engaged in preparing lectures for the Army Education Department. It may be that they proposed to employ WATTS on this work and that A.E.2, War Office, had said something to them regarding WATTS' record.



C.I. could perhaps find out exactly what happened and the extent to which the War Office are interested in or financing the Society.

I took the opportunity of talking about Freddie KUH. I said that we had been somewhat embarrassed when Cimperman asked us for information.

Carey Foster said he had mentioned the matter to the American Embassy Security Officer in a rather casual way. I explained to him the dangers of this, since Freddie KUH is probably known to most people in the Embassy and is doubtless "served" by a good many. If it got back to him that he was a target of this department, there might be awkward repercussions. It might equally be dangerous to try and get rid of him, as if he were returned to store he would certainly make as much mischief for this country as he possibly could. There was quite a lot he could do if he really got going.

I attended a meeting of the L.C.S. to-day. There was general agreement that whereas the activities of L.C.S. had up to now been more or less on a care and maintenance basis, they should now proceed to adopt a more active policy. It was felt that two kinds of deception should be practised.

I (1) OVERALL DECEPTION. The main object of this would be to persuade the Russians that for certain reasons it would be unwise to start a major war. This would be sub-divided into:

(a) Weapons Deception. L.C.S. stated that they had already proceeded to some extent to explore the ground. They had a plan for exaggerating the performance of our long-range bomber, P.345, which is to come out next year. They were in consultation with the Americans about a Biological Warfare deception plan, and they were also discussing with the Services the possibility of deception regarding the order of battle in certain theatres.

(b) Political Deception. Hayter suggested that as the strength of Western Union was in itself, at the moment, largely a deception, some steps might be taken to build it up. A further suggestion was made that the Russians might be persuaded to believe that in the event of war there were effective measures for dealing with Fifth Columns.

(2) THEATRE DECEPTION. It was agreed that Theatre Commanders should be invited to state how they would wish



the Russians to act within the range of probability so as to give our plans the best chance of success. It was thought preferable that the cover plans for Theatre Commanders should be made first in London and then submitted for criticism, or alternative suggestions, to Theatre Commanders.

II As regards the suggestion that L.C.S. should have some organisation in the Middle East, it was agreed that for the time being the Chief of Staff should be asked to act on their behalf.

III There was unanimous agreement that at this stage it would be unwise to consult with Western Union powers about deception. The matter should be kept to ourselves and the Americans.

IV It was agreed that L.C.S. should have another officer.

1st December.

We are arranging with the Foreign Office to get bag and cipher communication between Consuls (?) in West Africa and our S.L.O. The Foreign Office are being co-operative in this matter.

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At Howe's party he showed a S.B. report to the D.N.I. and myself, from which it was clear that LANG, Permanent Under-Secretary at the Admiralty, was in the habit of studying Top Secret papers in the train when coming up to town. One of his fellow passengers had read the documents over his shoulder, made notes of them and reported the matter to the Police. S.B. have picked up LANG and traced him into the Admiralty. D.N.I. took a copy of the report and said that he would deal with the matter.



2nd December.

Lenton, late of Censorship in South Africa, came to see me. He is on a visit here. He obviously did not like the present Government; he agreed that on the matter of Communism they would certainly see eye to eye with ourselves. He offered to help, but I said that we were in close touch with Palmer.

I asked him why Smuts had not used the information that he had about Van Rensburg and others, and he said that Smuts' party was altogether too confident about the result of the elections; they did not think it would be necessary to throw any mud.

I discussed with Malcom Cumming, Charles and Horrocks the question of Briscoe's position vis a vis Hedger. For a long time Hedger has hotly resented Briscoe's appointment; his line is that Briscoe never comes near him, etc. In fact Briscoe keeps away because he realises that Hedger does not want him. If Hedger were sensible he would make use of Briscoe's superior knowledge.

Briscoe's value to the organisation lies in the fact that as an eminent chemist he is in touch with all sorts of developments which Hedger may well not hear about at all. Briscoe is also of use to us outside the chemical field. In wartime his appointment is essential, as the various labs of S.O.E., M.I.9., etc., would have to be co-ordinated with our own in order to give proper protection to censorship.

It was agreed that the present arrangement, by which we should continue.

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I saw Mr. Herbert Morrison to-day and showed him the intercepted letter to ZUCKERMAN regarding his supposed membership of the C.P. I told him that we had certain reservations about the document, as it was typewritten and not signed. It seemed to us just possible that it might constitute an attempt to provoke action under the "purge" procedure and then ridicule the authorities for relying upon a document, the authenticity of which would be denied.

Mr. Morrison was seriously perturbed, but agreed to do nothing pending further enquiries. He said that ZUCKERMAN was employed as number two to Tizard on the civil side. He was also using him to explore the position with regard to the development of substitute materials which might prevent the necessity of importing certain raw materials from the United States.

Before taking him ZUCKERMAN, Mr. Morrison said to him "I suppose you are not by any chance fooling around with these Communists?", to which ZUCKERMAN replied, with every appearance of



sincerity, that of course he knew some of these people, but that he was really too busy to engage in politics.

I think we ought to say something to the Ministry of Supply, provided we can be sure that they will not go off the deep end. Meanwhile, we must do all we can to probe the matter further.

When I was talking to Morrison about ZUCKERMAN, he said that he had some job which he would like BLACKETT to take on, but that he had been given to understand that we had certain reservations.

I told him that in our view BLACKETT was not consciously disloyal, but that he was in the habit of surrounding himself with people who were prepared to betray Government secrets to the Communist Party; in particular I mentioned ASTBURY. For this reason we were bound to regard him as a considerable security risk. We believed that his son had recently joined the Party and that his wife, if not a Party member, was so close to the Party as to make no difference.

Morrison seemed to agree with our assessment of the case and was quite conscious that, politically, BLACKETT was a muddled thinker. Presumably he had had his attention drawn to BLACKETT's recent work on the use of the atomic bomb.

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3rd December.

Tommy Harris came to discuss with us the future of GARBO, who is anxious to start working again.

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It is to be hoped that GARBO's original letter was not censored, as it would be somewhat compromising.

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6th December.

For minutes of the D.G. meeting held to-day, see folder in D.G. Sec's cupboard.

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204.  
7th December.

Sanjevi, who is over here for a couple of weeks, saw the D.G. yesterday and had a talk with me to-day. He has brought his wife with him. As, firstly, she is a vegetarian and lives largely on eggs, and secondly, she likes entertainment, the whole of I.P.I. female staff and wives have been mobilised and black market eggs are coming up from the country. Unless all these things are provided for her, Sanjevi won't come to the office!

Sanjevi is obviously appalled by the size of his task. He told me pathetically that the Indian Government expected him to know everything well in advance. I explained to him the working of our office and the extent to which counter-espionage and security work was decentralised on to the Police and on to Government Departments. He explained, however, that this was far from what the Indian Government wanted him to do; they wanted a highly centralised service. He said that he had officers of D.I.B. in every province, and that co-operation with the provincial Police varied. At the moment all the Governments were Congress Party Governments; if, however, in any particular province they chose to have another party in power, the central Government would as likely as not get no co-operation at all and its own activities would be sabotaged. Sanjevi is, therefore, seeking what will have to be almost dictatorial powers. He asked me how we controlled the railway operators in this country. I said that I presumed what he had in mind was the possibility of sabotage. He said that a good many of the Unions in India were penetrated and it was quite possible that in certain circumstances acts of sabotage might take place. I told him that in this country the Trade Unions were dealing with Communists who held influential positions in the Unions, that we had a general picture of the situation, but that local Police Forces were responsible for sabotage or rioting.

It is quite clear that if Sanjevi is to do what the Indian Government want him to do, he will have to have an enormous Gestapo, which will cost the country a great deal of money and may well be corrupt and inefficient.

I asked Sanjevi about Communists in the Forces and the Civil Service. He said he did not think there were many in the Forces. There were, however, a certain number in the Police and also in the Civil Service. This is, in fact, borne out by a recent report that we have had from D.I.B.

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For minutes of the D.G. Mtg. held to-day, see folder in D.G.Sec.'s cupboard.

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I discussed with Hollis a paper which we are putting forward on the "old" and "new" Dominions security. We are trying



to make it clear for the J.I.C. and the Chiefs of Staff that a proper assessment of security in any country is extremely difficult to make, but that, subject to these reservations, we are prepared to put Canada and New Zealand into Category I, and the remainder into Category II.

Colonel McNally, the Deputy Provost Marshal, came to pay a courtesy call. His telephone number is Sloane 3477, Ext. 430.

### 8th December.

The J.I.C., according to the Confidential Annex of last Friday's meeting, have been going in for a certain amount of self-criticism. It was thought that somebody ought to give more guidance to the J.I.S. The final proposal was that when a paper was asked for, some member of the J.I.C. or the Deputies' Committee should be appointed ad hoc to give guidance. D.N.I. also thought that sufficient thought was not being given to long-term studies of the planning of Intelligence as laid down by the Evill Report. Hayter replied that he had tried to give the matter as much thought as possible, but that in fact the Foreign Office were the only people who had put any long-term projects down for discussion.

The whole proceedings read to me rather like an attack on Hayter instigated by Captain Drake, R.N., of the J.I.C. though the D.N.I.

### 9th December.

I had a talk with U'ren about his work in Delhi. He thought there would be a considerable improvement as a result of Sanjevi's visit. A good deal had already been discussed in India and there was no doubt that Sanjevi was generally impressed.

U'ren thinks that Sanjevi has set himself an almost impossible task in the Provinces, not only has he got an office in D.I.B., but he runs agents into the Provinces from Delhi unknown to his local officer. The co-operation from the provincial police varies; it depends to some extent upon local jealousies. If there happened to be a change of government in one of the provinces, it is quite probable that the provincial police would cease to co-operate at all.



206.

10th December.

Sanjevi came back to see me again. He wanted to know about the structure and functions of the J.I.C. It was clear from what he said that the J.I.C. in India, which I understand is very low grade, has been trying to interfere in the internal affairs of India.

I told him that the J.I.C. had no jurisdiction over ourselves or the Police. In the matter of subversive movements we dealt with the Home Secretary or the Prime Minister. The J.I.C. were only concerned in so far as subversive activities in the U.K. had a bearing on military security or the use of troops in an emergency.

Sanjevi then asked about the control of aliens. I told him about registration, visas, Traffic Index, etc.

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13th December.

For Minutes of D.G. Meeting held to-day, see folder in D.G. Sec's cupboard.

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14th December.

For Minutes of D.G. Meeting held to-day, see folder in D.G. Sec's cupboard.

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We had a telegram in from Malcom MacDonald to the C.R.O. He complains, after a meeting with the Governors of Sarawak and Borneo, that S.I.F.E. leaves much to be desired in that it is not staffed by people with local knowledge. This was why he was so anxious to retain Dalley's services. The whole telegram is based on a misconception of S.I.F.E's functions. He clearly feels the draught and realises that he is not getting much inside information: this is because Dalley's organisation, which was primarily responsible, produced only a very small amount. It is now divided into two Special Branches - one in Kuala Lumpur and the other in Singapore - and comes directly under the Commissioners of Police. It is unlikely to be producing any more than it did before, but in the course of time it is to be hoped that an effective organisation will be in being.

The idea that such a thing can be built up overnight is, of course, quite fallacious. It may, moreover, be far more difficult to get in on the ground floor now than it would have been a few years ago.

The D.G. has been over to see Lloyd and has offered, if necessary, to go out again to Singapore. We are expecting Kellar back here shortly after Christmas for consultation, at his own request.

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Le Man came to see the D.G., with whom he wished to make his number. He had been in slight difficulty in Paris, when he had to admit that he had not even shaken hands with the D.G.

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Malcom Cumming came in about two new defectors from Trieste, one, I think, a Jugo-Slav, and the other a Soviet citizen. We are looking after them.

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Vickery and Dick White discussed certain matters relating to Sanjevi's visit. We are going to give him something about the Bridges Panel and suggest to him that he should try and put that one across when he gets back. Once he has got a policy laid down and Security Officers appointed in Government Departments, we would be prepared to give these officers a course here in physical security. This seems to us to be a better way of handling the situation than sending out an officer to India, as suggested by Admiral Parry.

I suggested that U'ren might see some of the Ds. of I. while he is over here, owing to a somewhat prevalent notion in the J.I.C. that there was no source of information in India and now that 'C' had been ordered to "keep off the course".

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#### 15th December.

The D.G. gave a cocktail party to senior Government officials.

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#### 16th December.

U'ren had a satisfactory meeting with the D.M.I., who questioned him quite closely on a number of matters.

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#### 17th December.

Perfect came to see me after his first liaison visit to the Police. He has managed to arrange for the setting up of periodical Special Branch conferences. These have not existed since the war and it is certainly a move in the right direction.

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Kirby Green came to see me about his future. He does not seem to think that there is very much prospect for him. I told him that I had always realised that the field of promotion was small here, and I thought that this had been made very clear to him before he became a permanent member of the office. I believed that he had even gone so far as to say that he was prepared to forego his police pension, but this he denied. I suggested that he should go and see Horrocks.

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18th December.

I had a meeting with Tommy Harris, James Robertson, Mark Oliver, and a representative of S.I.S., about GARBO's future plans. Mark Oliver, who is visiting Guetamala, is going to try and arrange suitable channels for communication.

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20th December.

For Minutes of the D.G.'s meeting held to-day, see folder in D.G. Sec's cupboard.

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 Anderson, D.D.M.I. (O. & S) is leaving. His successor is Colonel Harding-Newman, who came to see me.

We discussed with Hollis the lecture on security which we have been asked to give in May to all those taking part in the manoeuvres. What is wanted is some statement on how we are likely to be organised in time of war and what action will be taken at the outset.

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Perfect has returned from a visit to the provinces. He has succeeded in reviving S.B. meetings in two areas, which should go a long way towards stimulating police activity. Certain of the Boroughs that he visited seem to have only a very vague idea of what the Communists are doing in their areas, or indeed about the subject at all.

In Lancashire there is a C.P. member with a knowledge of RADAR who is suspected of setting up a wireless transmitter. It seems doubtful whether we should have heard anything about this if Perfect had not visited the area. The great thing is that no precipitate action should be taken, since if any transmissions are going on we may get the signals.



The idea is a general desire of Chief Constables to have a list of the Vulnerable Points in their area, and also a list of the factories where secret work is going on. I have discussed this with Furnival Jones. He says that they are already told whenever a contract is placed, since local enquiries are made about the factory and those working in it. They could, therefore, compile such a list from their own records. I think, however, that we should let them have a list and possibly review it once every six months. It would be duty of the A.L.O.s to see that the Police reported to us the presence of any Communist in any V.P. or secret factory, in order that we can keep our records up to date

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21st December.

The D.G., Vickery, Ronnie Howe and I had lunch with Sanjevi at the Savoy. He seems to be very pleased with his visit and is going back full of ideas. How far he will be able to put them into practice is another matter!

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Newsam handed back to me the warrant on the District Party Committees of the C.P., which had been turned down by the Home Secretary on the grounds that he "did not want any general prying into the affairs of the Communist Party". I told Newsam that if we were not to pry into the affairs of the C.P., it was difficult to see how we could carry out our commitments. We had been charged by the P.M. with providing information about Communists in the Civil Service and in industry where secret work was going on. Membership applications continued to go into District Party H.Q., and these checks would, therefore, provide a valuable source of information. In addition, we wished to know about personalities and activities in the Districts which Chief Constables found it difficult, if not impossible, to obtain.

Newsam said that if I would write him a letter on these lines, he would take the matter up again with the Home Secretary.

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 Malcom Cusking, Saffery, and Dick came to talk to me about Gambler-Penny's demand, through Orme Sargent,



The G.P.O. could give the necessary clearance and it was then Gendrier-Perry's maintenance men to see if there were inside the Embassy premises were not tampered with by any local Post Office official, whose responsibilities ended where the external wires entered the Embassy premises.

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22nd December.

At the I.I.C. to-day, Mr. Wilson, Chairman of a Committee set up by the Treasury to enquire into the cost of intelligence, explained that his Committee, which was concerned on behalf of the Ministry of Defence with the shape and size of the Armed Forces, had £700,000,000 to spend. (I understand that the Secret Service vote is deducted from this total figure and that S.S. expenditure on intelligence is therefore relevant to the present enquiry). They were anxious to get some rough estimate as to how much of this money should be spent on intelligence, and to do this it was essential to know how much was being spent now and whether any increase in any direction might enhance the usefulness of any particular weapon. For example, the question of an independent bomber force had been under discussion, but it would be no use having such a force if Intelligence was not in a position to indicate the most effective targets, or to estimate how far the bombing of such targets would affect the enemy's strategy.

It would appear from the above that Mr. Wilson's Committee were, on the whole, more interested in espionage than counter-espionage. In fact he stated at one moment that he was not



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concerned with money spent on the denial of information to an enemy. It soon emerged during the discussion that it would be unrealistic to confine an estimate of expenditure to areas behind the Iron Curtain, since perhaps the most potent Russian weapon was a world-wide international movement and that if the 'Cold War' was at any time to be vigorously pursued, an intimate knowledge of, say, the personalities and organisation of the French Communist Party would be an important intelligence target. In other words, a certain amount of money might be better spent in disrupting Communist regimes by propaganda than in buying guns, aeroplanes and ships.

Mr. Wilson had not been indoctrinated and no discussion on SIGINT matters, therefore, took place until after he had left.

The general feeling of the meeting was that it would be an extremely difficult task to provide anything like an accurate assessment of the money spent on intelligence. For example, it might be held that a Military, Naval, or Air Attache would in any case adorn the Embassy whether they performed intelligence functions or not. This would apply in some places and not in others. The same arguments would apply to some extent to the Foreign Office, who are certainly collectors of intelligence. The Air Ministry felt uncertain as to how far aerial reconnaissance and mapping might be regarded as intelligence. The Army and Navy stated that the cost of their Attaches and their H.Q. Intelligence staffs amounted to £260,000 and £90,000 respectively.

As far as we ourselves are concerned, I would recommend the following:-

1. After consultation with the Treasury and subject to their agreement we ought to try and assess our expenditure on the basis of B. Division activities, and exclude C. Division, although it is difficult to see how we can arrive at even a moderately accurate figure. However, Mr. Wilson's committee seem to be thinking in millions, so I do not think that we need worry too much about our thousands.
2. Since there appears to be an opportunity of obtaining additional funds if we have a target which is really worth while, it would seem to be for consideration whether the occasion would be a suitable one for stressing our claim to ownership under SIGINT of sufficient wireless equipment to carry out our tasks in time of war.
3. We should, I think, consult with S.I.S. about the basis on which they are intending to compute their expenditure.

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212.  
24th December.

I spoke to Miss Chenhalls and Magor about the instructions which the Home Office are sending out to Immigration Officers on the subject of unheralded arrivals. I said that it was particularly important that they should understand that the questionnaire was only for the information of the Immigration Officer and was designed to help him in his interrogation; on no account should it be got out as a pro forma and handed to the alien to fill in - this might have disastrous consequences.

29th December.

Jack Morton and Kellar are both back. We had a long conference with the D.G. and Dick White, when Kellar explained all his difficulties. It appears that Malcom MacDonald was considerably worried by the fact that his telegram criticising S.I.F.E. had been passed on to S.I.S. and had resulted in a demand by the local S.I.S. representative to see a copy of the telegram. MacDonald maintained that it was confidential, and that he was only thinking aloud. The Commanders-in-Chief, who had subsequently heard of the telegram and had taken serious umbrage at the criticisms of an organisation which they regarded as being in part responsible to them.

Kellar has made it abundantly clear that the criticisms which MacDonald has made should be directed to his own Special Branches, which are primarily responsible for collecting the information which he requires. Appreciations can only be made on the basis of good information.

MacDonald's other criticism is that S.I.F.E. contains no South East Asia experts. Kellar has, I think, persuaded him that such qualifications are not necessary in the Head of S.I.F.E. and that intelligence experience and powers of organisation are more important.

MacDonald had clearly got a wrong idea as to the role of S.I.F.E., which is concerned with the collation of intelligence over a much wider area.

There is a meeting about to take place of the Defence Committee as to whether any review of Intelligence organisations in the Far East is necessary. If so, a further meeting will be held on the 20th January, which the D.G. may have to attend. Meanwhile we are consulting with S.I.S. in order to obtain their agreement to the secondment of one of their officers to S.I.F.E. in order that all reports on security intelligence can be



co-ordinated on the same basis as those in the Middle East. It is also proposed that the Head of S.I.F.E. should speak for S.I.S. in security intelligence matters only. It will be for consideration in our discussions with S.I.S., which concern our relations generally, whether we should not be allowed to have representation in places like Bangkok, if we think such an arrangement might give valuable results.

Morton will establish himself in London and work at Head Office for a couple of months. He will then go out and visit the while of his parish before he takes over from Kellar.

There is no doubt that MacDonald has lost his head about Dalley, as he now has nobody who comes and whispers things into his ear. The basic fact is that M.S.S. had no concrete facts to guide them and that Dalley's advice might well have been extremely misleading. Until the S.B.s get on their feet - this may take some time - MacDonald is not likely to get the information he requires. What is certain is that Dalley's presence in the area would constitute a serious menace to the building up of any solid intelligence organisation. He is far too much of an intriguer and his judgement is faulty.

I told the D.G. that in my view it would be a good thing if it were made clear to Dalley, and to everyone in the Far East, that there was no intention of re-employing him in that area. Kellar agrees with this, since it is clear that certain elements in M.S.S. are being unco-operative and pro-Dalley, as they feel that if Dalley returns they would have an opportunity of joining his staff. There is no doubt that Livett and Blades are being extremely petty and obstructive. Gray is wholly co-operative.

There is no doubt that Kellar has done an extremely good job in very difficult circumstances. He thinks that while there are some extremely good officers in S.I.F.E., there is a tendency to make stupid criticisms of Head Office and to isolationism in a small European community. There seems to be a reluctance to get out and meet local Malays and Chinese. This is understandable, as most of our officers live together and many of them have families, while the single officers have to entertain the female staff. Kellar takes a poor view of who is inclined to sit in his office and wait for M.S.S. reports to fall into his tray instead of going out to get them. In Hong Kong and Rangoon he thinks the situation is entirely satisfactory. The Ambassador is extremely pleased with John Harrison, and both Alan Roger and Carrell are doing very well in Hong Kong.

I had a long talk with Jack Morton about Iraq. There is no doubt that he has got a very good organisation going and has the respect of everyone in the area.

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He thinks that Philip Ray will do well, but he has urged him to take a greater part in the social life of Baghdad. His paper work is excellent, but he ought to meet more people. Morton thinks that he will do this now that he is head of the station, and that his wife will be a great help to him.

The Iraqis have brought off an excellent coup in arresting some 160 members of the Communist Party, including the Executive in Committee while in session. They were able to do this owing to a denunciation by a dissident Arab group. The activities of the Party were more widespread than was expected and the Russian Legation is definitely involved. It was working through a small group of Armenians and had lines in most directions, including Kurdish circles.

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31st December.

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I had a talk with Skardon about the MEREDITH case. On information that we obtained from WEISS some time ago, we knew that MEREDITH was associated with Major VERNON and Flora WOODMAN in giving information to the Russians.

It was decided to ask MEREDITH to come to the Police Station and then request him to tell us whether his loyalties lay. At the outset of the interview was extremely sticky. MEREDITH questioned our right to summon him to a Police Station or to ask him about his loyalties. It was only then that Skardon outlined to him his association with WEISS over a period of four years. He began by denials, but when shown a photograph and further details, said that he did not wish to talk except in the presence of a solicitor. Skardon told him that he had a perfect right to demand a solicitor, and they by various means induced him to think that it might be better if he gave a free and frank account of his association with WEISS. At the outset he did not wish to implicate others, but when it became apparent to him that their names might well be known to Skardon, he came entirely clean.

MEREDITH's story confirmed in every detail what we already knew. He said that he had given such information as was naturally in his possession to the Russians, as he disliked our vacillating policy towards the Nazis. Moreover, he had faith in the Russian system. He was horrified when told that WEISS was a German, and he said: "Do you mean to say I was giving information to the Germans?". Skardon confined himself to pointing out that once you gave information to a foreigner who had not got the interests of this country at heart, you might be giving it to anybody.

Skardon then asked him where his loyalties lay in the event of war with Russia. He said that he would feel bound to be a conscientious objector, although he felt entirely patriotic to his own country. ~~THE REASON FOR THIS~~

The reason for this enquiry at the moment is that MEREDITH, who is a highly qualified technician, is required by his firm to work on some secret project. Skardon takes the view that, in view of his unique qualifications, he should be allowed to do the work. He is not a member of the Communist Party, according to his own statement, and our records, and has never been one. He is deeply interested in his work and does not normally engage in politics.

Skardon thinks that in the event of war, he would get a perfectly frank statement from MEREDITH as to where he stood.

We shall have to put the facts to the Ministry of Supply and let them make up their own minds. On the whole I think I should be prepared to take a chance, although it is difficult to say without actually having seen the man himself.

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I have been reviewing the War Book. There are various points which need amendment. The Foreign Office are put down as directing and financing R.S.S., and there is no mention of the department responsible for seeing that wireless in Embassies is dismantled and that Embassy staffs are isolated.

When this book has been finalised, we shall have to get out our own book and then consider the expansion of each section and the individuals by name whom we intend to fill the various posts.

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