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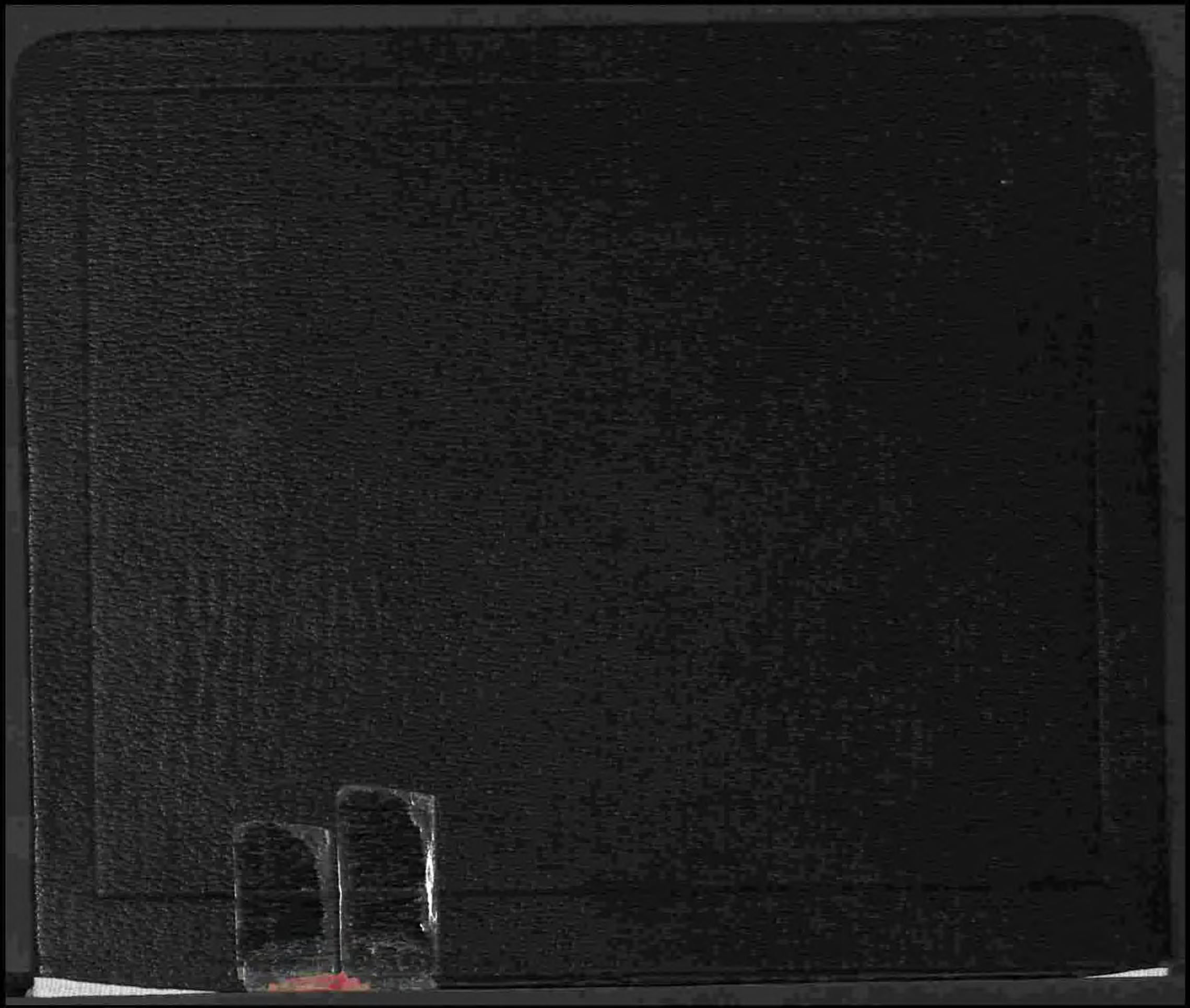
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1949.

1st January.

I saw the New Year in with Tommy Harris. It is difficult to say whether my prophesy about 1948 being an all time low has worked out; on the whole, I am afraid it has. I am not sure that 1949 wont produce an all-time- lower! I am rather reinforced in this view by a series of broadcasts being given by Bertrand Russell on "Authority and the Individual". He makes a historical survey of all the various civilisations from the paleolithic age onwards, and, although he has several lectures still to go, he seems to be coming to the conclusion that the present trend towards rigid central authority is killing initiative and progress and is bound to end in listlessness and ossification. The logical conclusion, he thinks, is a complete break-up followed by a period of anarchy, the stress and strains of which will reinvigorate the human race and restore initiative to the ordinary man. He will be discussing in further lectures whether there is any possibility of mitigating the evil tenets of the present trend, or whether disaster is inevitable.

At home we seem to be continuing to "feed the dog on its own tail", and I doubt whether the ordinary citizen, and the ordinary workman, realises that what he is getting in food subsidies and social services, some of which he neither appreciates or wants, he has to pay for heavily through indirect taxation on his beer, cigarettes, and in fact everything he buys, quite apart from the direct taxation on his earnings.

Stafford Cripps, I think, still believes that he is leading the country to state socialism, which differs little if at all from Communism, by evolutionary means,-thus avoiding the violence of revolution. He is, however, ignoring the human factors, which Bertrand Russell so clearly states.

In Europe there is perhaps a slight easing of the situation, although this may be only temporary. The air lift has been maintained in Berlin,and the Russians show no immediate signs of deliberately provoking a war. They have devastated their own zone and are clearly feeling the draught. Having been wholly obstructive on all matters of quadripartite control, they lose no opportunity of distorting the facts and arranging matters so that it shall appear to the Germans that we are responsible for their sufferings. At the moment I think that the German people are with us, but they are clearly ready to play off one against the other in order to hasten the withdrawal of all forces from Germany. The Russians, having established,with the aid of Paulus and his Communist indoctrinated fellow prisoners of war, a Gestapo for the eastern zone, show signs of pressing in the not far distant future for the withdrawal of all Allied forces. This would leave them free to spread Communism throughout the whole of Germany. If we refuse to withdraw, they will make us appear to the Germans as the oppressors.

The establishment of a Federal Government for the Western zones is meeting with quite a number of difficulties, and there are already signs

of a certain amount of arrogance on the part of the Germans. They have been granted permission to set up Special Branches for the Laender Governments, and discussions are now going on to meet an inevitable demand for a Federal Security Service. The fact is that once you allow them to have a Government, it is difficult to deny them an intelligence service to protect them against Communism within their territory and possibly Russian agression from without. On the other hand, we have the experience of what they did after the 1914-1918 war. Already by 1920 they had a State (?) Service in Prussia, which was shortly afterwards followed by a Reich Service for the whole of Germany. Ostensiby its purpose was to combat Communism, but it was not long before it was actively implicated in evasions of the Versailles Treaty, and a party to the "Unholy Alliance" between the German General Staff and the Soviet Government, by which arms and aeroplanes were manufactured by branches of Krupps and Junkers in Russia and filtered back into Germany, contrary to the terms of the Peace Treaty. When the German dock workers at Stettin protested at having to unload these arms, they were told by the Comintern to "pipe down".

There is to be a conference on this matter at Herford on the 17th Provisionally we feel that a Federal Security Service should be resisted, that the Laender S.B.s should be organised on the zonal basis and possibly products from each zone might be integrated on a nationality basis in Frankfurt. The argument that if you don't give the Germans their own Security Service they will have a clandestine one is, in our view, not altogether sound. If you give them a Security Service they will merely use it as a cover for clandestine activities.

There seems to be some slight improvement in the situation in France, which has recently weathered a serious strike by the miners, liberally supported by "voluntary" contributions from the miners of all the satellite countries. They have also got through some pretty drastic financial reforms. Unfortunately, in France, the passing of a budget does not necessarily imply that the Government are going to be able to get the money. There is no doubt that the Communist Party has had a set-back, and it is to be hoped that the Central Government will be able to hold the position. Alternatively, de Gaulle might ultimately play into the hands of the Communists. It has even been said that the Cominform now favours his advent to power as they feel that he would be a spoke in the wheels of Western Union.

There is an "uneasy" peace in Italy where the Communists are still powerful. The Government seem to have forgotten the despicable part that their country played during the war and are full of indignation about not having their colonies returned to them. While we are ready to give them back Somaliland we are, for the moment at any rate, standing firm about Cyrenaica and Tripoli.

The Scandinavians are showing some signs of getting together on matters of defence, but Sweden has not finally made up her mind.

Meanwhile the results of the Brussels Treaty are beginning to take some shape in the form of committees for this, that and the other. Monty's H.Q. is being set up at Fontainblesu which, of course, exists only on paper, and at a meeting that we had at the

L.C.S. a few weeks ago to discuss deception, the remark was made that Western Union itself was one huge deception plan which might be worth backing.

We are implicated in two ways: firstly by what is known as the Metric Committee which is struggling against considerable odds to enforce some sort sort of security in the passing of secret information to the Brussels Treaty Powers, which is essential to them in the planning of defence measures. So far America has not finally committed herself, but there is a general feeling that she will give her backing, both economically and in manpower. Grants under E.R.P. have been approved on the economic front.

India and Pakistan are beginning to show some signs of composing their differences in Kashmir where it has been agreed to have a plebescite, and Hyderabad has been subdued without inflaming communal strife.

In the Middle East a serious situation has arisen over the reversal suffered by the Egyption ~~xx~~ forces, and a task force has been mobilised on the Egyptian frontier to prevent incursions by Israeli troops. The position has been further inflamed by the recent shooting down of 5 British aircraft who were on reconnaissance over Egyptian territory.

In Indonesia the Dutch have taken the bull by the horns and reoccupied the whole country without reference to U.N.O. observers. The matter was taken ~~by~~ vigorously by Hodgson, the Western Autralian delegate to U.N.O. and Nehru is holding a conference of Asiatic people, to which he has invited the Australians and New Zealanders. It is clear ~~xxxxxxx~~ from his public utterances that he wishes India to lead the Asiatic peoples, and that he is bent on getting all Europeans out of Asia. Personally, I have a great deal of sympathy with the Dutch who under endless provocation have decided to set their own house in order without reference to U.N.O. They maintain that Indonesia is a purely domestic affair; their only mistake was to allow UN.O to take any part in the first instance. They only did this under pressure from ourselves and other countries. It is difficult to see that Indonesia is any more a matter for U.N.O. than Malaya where we are operating with military forces to restore order. While there is a slight improvement there, the situation is by no means under control.

MacDonald has been making criticisms about S.I.F.E., the role of which he does not really understand. He feel a general lack of information, but the primary collectors of such information on Malayan territory have, of course, been the Malayan Security Service, formerly under Dalley, but not split up into S.B.s of the Malayan Union and Singapore at last. It will take some time before these S.B.s get into their stride and the flow of information improves. I think everybody is at last persuaded that there is no post for Dalley in Malaya. The whole situation has been much

agrivated by the success of the Communists in China. Efforts are being made at some compromise government; it seems fairly certain t. the country will eventually go under Communist domination. This may well aggrivate the situation both in Hong Kong and Malaya. Burma is extremely unstable with both the Communists and the Karen in revolt. Broadly speaking it may be said that while there is perhaps a slight rally on the Communist front in the west, considerable progress has been made in the East.

At home we are finalising our War Book. As soon as this is done we shall proceed to make survey of our own dommitments. It is, I am sure, essential that every section in the office should know what they are to do in the precautionary stage, and what increase of staff they will require. We can then calculate what ex-members of the office will be required and exactly what they will be called upon to do.

J.I.C. calculations are based on a war in 1957 with the possibility of something blowing up in the intervening years due to Russian miscalculations or failure to realise that there is a limit to cold war activities.

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3rd January.

We had a long meeting with the D.G., myself, Kellar, Mor Dick and Horrocks. Kellar has just returned from Singapore. He give a general account of what had happened after MacDonald sent his telegram criticising S.I.F.E. and S.I.S. He himself was away at the time in Rangoon or Hong Kong. On return he found that the S.I.S. man, had, on instructions from his office, applied to S.I.F.E. for details. As Kellar was away he had gone to MacDonald's Secretary. MacDaonald was extremely annoyad that what he regarded as a personal telegram in which he said he was merely "thinking aloud" should have reached S.I.S. or indeed Kellar. He refused to show a copy. Meanwhile Kellar had returned and seen the Cs-in-C who were extremely annoyed that an organisation which they regarded as having responsibilities to themselves should have been criticised by the Governor General without reference to them. Kellar had made the position clear to them as to the precise role of S.I.F.E. and then went on to see the Commissioner General. He told MacDonald that he was very surprised that this criticism had not been made direct to him. MacDonald tried to excuse himself by saying that he was only "thinking aloud" and then reiterated his criticism that S.I.F.E. should be staffed by people who had local knowledge of the area. He kept happing back to Dalley and it became clear that what he really wanted was somebody to whisper little bits of information into his ear about what was likely to happen within the next 48 hours. He did not seem to realise that if the information was not good it was better not to have it at all, and that the criticisms he was hurling against S.I.F.E. should really be hurled against M.S.S. or at its

component parts which were now under the Commissioners of Police Singapore and Malaya. Kellar made this very clear to him and said, moreover, that it was far more important to have a head of S.I.F.E. with a knowledge of Security Intelligence work than to have a man with local knowledge. If the two could be combined so much the better, but such people were difficult to find. He then explained in minute detail the role of S.I.F.E. which is to cover the wider area of S.E. Asia, to bring ~~kkxk~~ to the local authorities our general experience on Security Intelligence work and on the activities of Communists and the Russian Intelligence Service, and to take out of the area anything that had a bearing on these subjects which would be of interest to London. In so far as the ground-work in Malaya was concerned he must look to his own S.B.s. The meeting was quite friendly and MacDonald was, on the whole, apologetic. There was to be a meeting of the Defence Committee when a decision would be reached as to whether any drastic re-organisation of the intelligence set up was necessary. Kellar's view was that it was early days to expect very much from the two S.Bs. Obviously they had an enormous task and it might take them months, if not years, to get into the saddle. The D.G. had, of course, offered to go out, but it seemed that MacDonald was not particularly anxious for him to go, he would clearly be on the side of the Commanders-in-Chief. There is, however, to be a meeting after Kellar's return when the whole position will be reviewed. Meanwhile we are trying to meet the criticism that the officers have not got sufficient local knowledge. We may be able to reinforce Cowan on the Chinese side by getting the services of Thompson, late of the S.B. of Hong Kong.

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He told me that A.V.M. Atcherley, is going out to command the Pakistan Air Forces. We agreed that there would be no very useful purpose in his seeing us, as by agreement with Pakistan we could not have a liaison officer there for another six months. I told Pendred that I had told Atcherley that [redacted] D.I.B., was an extremely experienced officer and had our confidence.

Censorship, who are making their war plans, want to discuss our Watch List requirements. I had a meeting about this with Dick and others today. Sections are to be asked to state their requirements.

4th January.

D.G. Meeting - see folder of minutes.

Dick and I attended a meeting in Mr. Dean's room at the Foreign Office to discuss the setting up of a Federal Security Service in Germany. I said that as we had had no time to consider the matter, we should like to do so in order to satisfy ourselves that we could really be of assistance to the meeting in Germany. I told the meeting of the developments inGermany after the last war, which are recorded at minute 30 (SF.75/Germany/7), and stated that in our view any service that was set up now might well be used as an instrument for causing dissension among the Allies, and ultimately for getting us out of Germany. Apart from this, it would depend entirely upon political developments as to whether such a service would make a valuable contribution towards providing information abou Russian intentions. It seems that so far no request has been made for a Federal Security Service, but that such a request is confidently expected. The present proposal, therefore, is to examine the consequences of acceding to such a request.

From what was said by Dean, it seemed farily clear that there would be considerable difficulty in imposing restrictions on the activities of the organisation. There would be no vetting of the personnel and only in extraordinary cases any right to demand the dismiaal of those who were unco-operative or directing their efforts into wrong channels. We should, in fact, be almost entirely dependent upon the good will of the Germans. This might be difficult to obtain, particularly if under Allied control we were obliged to concede points to the French. It is not at all unlikely that the French may say that unless there is complete Allied control of the organisation it is not to exist at all. I asked what the powers of the Federal Government were, if at any time, for example, they thought it desirable to proscribe the Communist Party. Dean seemed to think that they would have a perfect right to do this if they considered it necessary. I then asked what powers we had to order the Germans to proscribe the Communist Party. It was felt that we could do so on the grounds that it was a menace to the security of the Armed Forces.

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5th January

I lunched with van Moyland. I told him aboutthe high level Security Conference in London, the moving spirit of which was of the French Surete. Fock was attending on behalf of Holland. It seemed to me a pity that the Department of Justice was not represented. I told him that a movement was on foot to set up some sort of organisation in Paris of a permanent kind for pooling information on Communist activities. This did not seem to us a good idea. We are recommending ad hoc meetings every three months, in order to review the procedure for exchange of information through normal channels. We might also put in papers on general subject such as Communist finances etc.

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6th January

Jack Easton and came over to discuss with Dick and myself the question of S.I.F.E.'s responsibility for the co-ordination of Security Intelligence in the area. It was agreed that the pattern of S.I.M.E. should be adopted. The further question as to whether we should have any representation in Indonesia or in Bangkok on a purely overt basis was left for discussion at our general meetings with S.I.S. which are to begin shortly. The job of these meetings is to try and narrow the differences between the two organisations.

I had a discussion with Perfect and Oughton about the function of Police Liaison Officers. Oughton thinks that the purpose we have in mind would be better served if B.1.A were so staffed that they could get up frequently from their desks and go and lecture to C.C.s or their S.B.s on a really informed basis. This, of course, was on the assumption that 95% of the work which we are asking C.C.s

to do on our behalf is concerned with Communism. Oughton seemed to have in mind the attachment to this office of Police Officers from the various districts who would work in B.1.A. Personally, I do not think this is a good idea. We have been very lucky in getting someone like Mann in Scotland, but Mann will not be with us for ever, since he will have to take his premotion and we shall have little or no control over the appointment of his successor. If we had Police Officers from a number of forces passing through this office, they might be of the type that would be more interested in building up theor own police files from information here. While in some ways this would serve a useful purpose, we have to remember that police files are open to the whole Police Force, and that the risk to security would be considerable. The question to decide is whether to reinforce B.1.A to carry Police Liaison or whether the liaison function should be a separate one confined solely to putting oil into the wheels.

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Kellar has gone back to Singapore.

I dined with hey were both extremely friendly and I am sure that if we had a free hand we could make a vast improvement in the flow of information between ourselves and the French on espionage activities.

7th January

The D.G. has seen the P.M. with 'C' and Bevin. The immediate purpose was to try and find some way out of the present deadlock which had been reached owing to a refusal by the Americans to pass any information to us on guided missiles unless we give an absolute guarantee that it would not reach the Australians. It was disclosed at the

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meeting that the P.M. had just had a letter from Chifley stating that Shedden was paying a visit to this country to renew his former contacts and discuss, amongst other things, the question of security. It seems to all that if the Americans could be persuaded to disclose to him the basis of their apprehensions about Australian security it would be well worth his while to come to this country via the U.S. It was agreed that the F.O. should draft a letter to Truman setting out the impasse that had been reached and the serious effects of the American action which not only rendered our co-operation with the Dominions almost impossible, but put a real spoke into the wheels of allied co-operation. The Australians had spent a lot of money on their long-range rocket range and if they could not have the information they might abandon the whole project. This would be serious since Australia was one of the few places where experiments could be safely conducted. If a favourable reply is received from Trumen the P.M. will write to Chifley making the suggestion that Shedden should come via America, and pointing out that it would go a long way to satisfying the Americans if Shedden could say that the various measures previously mentioned by Chifley had actually been put into operation. It is also proposed that if a favourable reply is received, either the F.O. or 'C' could obtain approval from U.S.C.I.B. for Shedden to be suitable briefed by Hollis before his departure from Australia.

10th January

At the D.G. meeting he outlined the position with regard to Australia, and Dick spoke about the Western Union conference at which he had been in the Chair. After a good deal of talk from we have got agreement to three monthly ad hoc meetings. There is to be a permenent Secretary who will prepare the agenda and papers on certain aspects of Communism which will be submitted for discussion. Nigel Watson's job as Charge d'Affaires in Luxembourg has come to an end. It is generally felt that it would be difficult for him to start again in this office. It is possible that he may be offered further employment at the F.O. It was agreed that Hemblys Scales should go to the Middle East. A successor for Thistlethwaite will have to be found as his term in Washington comes to an end in May, Unless he is anxious to sign on for another two years.

We have had an enquiry from the Ministry of Town and Country Planning about the loss of certain aerial photographs covering the industrial areas. The Police are going to look into the matter in the first instance.

11th January.

Dick, Irvine and I discussed the proposal that the Germans should be allowed to set up a Federal M.I.5. and M.I.6. organisation. We came to the conclusion that Dick would have to attend a meeting at Herford on the 17th, and that we should recomment against the Federal Organisation under German control. We thought that the Leande S.B.s might be organised on a zonal basis and that the zonal information might be pooled in Frankfurt between the three Allies. On the basis of this advice could be given by the Allies to the Federal Government.

It seemed to us that the Federal organisation would merely give them cover they required to conduct a clandestine one.

I saw Supt. Adams and Supt James of Jamaica and Trinidad respectively. I gave them a short account of the structure of the office and the work that we are trying to do.

D.G. meeting - see folder of minutes.

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I saw Sir Norman Brook. He said that he had been discussing with Bridges the question of our being informed of matters in which we were interested which were to come before the Cabinet. The situation arose from the fact that we were not in any particular Ministry. He we, for example, been under the Ministry of Defence, we should automatically be notified when matters came up in the Cabinet which were our concern. They both considered, however, that we were on the whole more suitably placed under the P.M. Brook thoroughly appreciated our difficulties and proposed that Donaldson, who is acting for Bridges in quite a number of activities affecting intelligence work, would be the most suitable person to hold a watching brief for ourselves. He is proposing to notify Donaldson about this and agreed with me that it would be a good thing for Donaldson to become more acquainted with the officers of this department and the work that we do.

I have established with the D.G. and Horrocks that for the time being Perfect should take over Kirby Green's duties in addition to his own. If this became too onerous we should have to consider finding him an assistant.

12th January.

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'C' telephone to me about Burmese B.J.s It seems that Tulloch is bringing a libel action against the Daily Worker, owing to the publication of certain data about Tulloch's activities, passed to them by a renegade Burmese in this country. The Daily Worker are anxious to prove that Tullock and his friends are operating with the full backing of M.I.5. and M.I.6. The accusation is, of course, wholly untrue, but there is nothing that we can do at the moment except to watch the situation. The people really at the back of Tulloch are the Daily Mail whose correspondent Campbell got arrested by the Burmese and has recently been released without trial. The Daily Worker are merely trying to make mischief for the British Government.

13th Jannary.

Stratton telephoned to say that the calendars which he had printed for the Ghana Trading Co., were ready for despatch but that no money was forthcoming. He intended, however, to send the goods off as whether they were paid for or not they were no use to anyone else and if the delivery was accepted there the matter would lie. Meanwhile, He wants to write to the Colonial Office stating the full facts and inserting a paragraph to the effect that action was taken with our approval. I told him to send along a copy of his letter. I said that I was uncertain whether he was wise in writing to the Colonial Secretary who would only pass his letter down the line; it might possibly be better if we tackled the question on a lower level.

Hollis talked to me about Lachmann. We are recommending against his naturalisation. I see no grounds for thinking Lachmann is loyal to this country. We feel that in an emergency he would be easier to deal with an alien than as a British subject. Incidentally Hollis has had to do most of the work on this himself.

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15th January.

Mitchell came to tell me that a Fascist called MOAT, who has been given notice of transfer under the Prime Minister's ruling, had said that he was not a member of the Fasicst Party, although he was a member of the Union Movement. The Treasury are trying to take the line that as he has admitted his membership of the Union Movement there is no case for him to go before the Tribunal. They have, however, asked us to give them proof that the Union Movement is the successor of the B.U.F. Graham Mitchell has produced convincing evidence on this point. While we can say that membership of that Party might in certain circumstances cause us to have reasonable doubts about a man's reliability, if we were asked to what country he would be likely to pass his Government information we should have no answer. For political reasons the Fascists were included by the Government in the Prime Minister's statement, and they will now have to face the consequences. We think that MOAT should be allowed to go before the three Advisors. If not there is certain to be an outcry that Communists are given this opportunity while Fascists are not.

I had a long talk with John Marriott about GARBO and about the general progress we were making in our enquiries into Russian espionage. I thought that for the moment we should forget about GARBO and consider what positions would be most advantageous to us if we should find ways and means for holding them A lot of useful ground-work had been done with regard to the Military Attache's office and the Trade Delegation and our general impression, but no more than an impression, is that the Military Attache's office is largely concerned with the collection of information obtained from technical journals and other overt sources, and that members of the Trade Delegation who visited factories submit anything that they think of interest from an industrial mobilisation point of view. The Communist Party Executive does not put espionage on behalf of Russia on its agenda. On the other hand, there are certain members who, with the possible connivance of someone on the Executive, are prepared to work independently for the Russians. Other may do it without the knowledge of the Party at all, since the Party clearly does not want to give the Labour Government and the Trade Unions any ammunition which would assist them in their general commotion against the C.P. What is important to discover is who are the Weiss's or contact men in the present set-up. Experience shows that these people are not necessarily Communists at all, and that the motives for working for the Russians are often monetary or due to blackmail. WEISS at the outset may not have been conscious of what he was doing. He may have thought that he was merely in charge of an Import and Export firm. It was only later that he realised when he received a visit that he was really intended to act as a spy. It was then that the element of blackmail came in. Experience showed, further, that when people of this type were recruited it was very often months, if not years, before they were taken on in an important capacity. It was no good, therefore, thinking that we could obtain results quickly.

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17th January

Hollis and Paynter came to see me about a request from the Senior Air Technical Liaison Officer at the U.S. Embassy, Lt. Col. Howard Paine. He had been sent from Alec Coryton to ask whether he could be put into touch with someone who would talk to him about the security of our latest designs in aircraft. We agreed that there could be no objection to this provided there was no attemtp to conduct an enquiry into our security, which would lead to the Americans refusing to allow us to manufacture or make use of devices of American origin.

18th January

D.G. Meeting - see folder of Minutes.

I had a meeting with Cumming and Mann about Operation HAPPY RETURN which involves a visit by the Russians who are returning a battleship, two submarines and two destroyers lent to them during the war. The Admiralty think there may be defectors and want elaborate arrangements made.

Burt came to tell me that he had had a visit from Lennox who was asking about McCARTNEY and Bevan. Burt had stalled. I told him that Lennox was clearly meddling in something which was no business of his or of ours, and that he would be well advised to tell him nothing. Lennox was quite capable of intimating that he was acting on behalf of 'C' or indeed of myself. I said that since I was concerned at any rate, he could take it that Lennox was not, and would not be employed in any way. He then told me that Lennox had talked to ZIG-ZAG, who apparently gave him some enquiry on these lines. In Burt's view nothing could be more ill-advised since ZIG-ZAG was capable of double-crossing anyone if it might in any way to his advantage.

Hutson telephoned to say that although he sympathised with us in our views about LACHMANN. He thought that the Home Office would have to naturalise him.

19th January.

Thomas came to tell me that there had been several cases of sabotage affecting the Navy and that he had been asked to go down and investigate.

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20th January

At the J.I.C. (O & S) we discussed the problem of MULLARDS manufacturing certain American valves. The Americans had raised objections on security grounds in view of MULLARD's connections with Phillips of Eindhoven. Phillips have clearly wide ramifications on the Continent and at one time had branches in Poland and Czechoslovakia. Although MULLARD's have one Dutch director on the Board we think that we can tell him the contract has to provide reasonable security. We are sending a copy of the contract to the Americans in the hopes that they will agree. If not Johnston may have to go out and argue the case.

Boucher came to see me about a luncheon between C.I.G.S. and Philip Noel Baker at which the latter had suggested that Slim should consult with his opposite number in the U.S. with a view to finding a solution to the Greek problem. Noel Baker took the view that this matter could be fairly easily solved and that the majority of people in Greece were not Communist minded. Slim had admitted that Noel Baker's wife had big interests in Greece and that this

might be the explanation of these advances. I told Boucher that I knew somebody who could probably give me the answer, but that the position was rather delicate. I thought, in any case, that if the wife had property in Greece, she probably had a fairly lively correspondence with friends in that country. They might well have implored her to do something to bring about a settlement which would ease the present state of unrest.

Travis came to see me about two things. First of all, he was worried about his staff. He thought there might be a leakage about his Russian activities; could be put anybody into G.C.H.Q. who would give him the answer. I said that first of all this would be against the spirit of the Prime Minister's instructions and secondly I doubted whether such an operation could produce the answer he wanted. Inevitable somebody put into G.C.H.Q. for that purpose would become known and the repercussions both on Travis and ourselves would be considerable. For the above reasons I said that I was afraid we could not help him.

He then said that he was extremely worried about the physical security of the premises; could we send down anyone to give him advise, regardless of expense, as to what should be done. I said that we could send done Collard who was concerned with the security of atomic research. He welcomed this suggestion.

21st January

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24th January

Burt told me that he might possible be taking Young's jos as No. 2 to Howe. He wanted me to know about it, but did not want the matter to go any further. I gathered that Hatherill had been suggested as his successor, although Burt thought that Tommy Thomson is fully qualified to do the job. I could not draw Burt on Hatherill. Personally, I have never very much liked the look of him. Burt's departure will be a great blow to us, but I am glad that he has been offered promotion.

D.G. Meeting - see minutes

I had a meeting with Bennett, the two Hills, Baynter and Mitchell to discuss the question of warning factory managers in the case of technicials who were dismissed on the grounds of subversion. We came to the conclusion that either the Admiralty or the Ministry of Supply should communicate in writing a note of warning to other factories sho might be inclined to take the man on, or alternatively that we should give such a warning on

on their behalf by word of mouth. The whole position is rather delicate for various reasons. On the other hand, it seems futile, having got rid of a technician from one factory where secret work is going on we then have to purge him out of another one. Our views will be incorporated in a memorandum being put put up by the Ministry of Defence to the Government to inform them on the procedure for dealing with Communists in industry.

25th January

D.G. Meeting - see folder of minutes.

I had a talk with Jack Morton about his new job, which I am sure he will carry out with efficiency and success.

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26th January

[redacted]

28th January

Hayter, 'C' and I discussed the Washington case of leakage from our Embassy there in 1945. It has been established from GLINT that certainly two top secret documents of a Cabinet level were sent to Moscow. We transmitted O.T.P. so it must have been someone inside the Embassy. It has already been established that one RANKIN, believed to have been responsible for leakage from our Embassy in Rome, was at the material time employed as archivist at the Embassy in Washington, but why he was ever allowed to go there is a mystery. We know, too, from the WEISS case, that BARON, who is now under observation here and at one time had a Soviet espionage commitment, was also at the Embassy in Washington. Hayter finally agreed, somewhat reluctantly, that we should be in charge of the case in its wider aspects, particularly owing to its ramifications here and possibly elsewhere. He thought, however, Bobby Mackenzie ought to be in charge of the enquiries in the British Embassy in Washington. 'C' was to draft a telegram to Marr Johnson which would be agreed by us all.

Jack Easton, and the Establishments Officer of S.I.S. met myself, Dick and Horrocks for our first discussion on the relations of M.I.5. and M.I.6. We decided to exchange papers and agreed the various subjects which we wanted to discuss. When we had had time to study the papers we would meet again.

Newsam asked to see me. He had received Orme Sargent's letter which expressed the view that the F.O. maintenance officers under Gambier Parry should be given in order that they could make the necessary tests in our Embassies abroad. Newsam wanted us to draft a reply. He thought we should say that the Home Secretary had a grave responsibility on these matters, and was opposed to spreading the knowledge unless it was absolutely necessary. There would be no economic case as the Post Office already had a commitment for Canadain Embassies.

'C' telephoned to me his draft telegram. It did not place anybody in charge of the case, and I got him to insert certain paragraphs. He expressed some doubt as to whether Hayter would agree.

29th January.

I got in 'C's absence, to sent me over a copy of his telegram. She told me that she had not sent it off as she did not know whether it had been approved by the F.O. When it arrived it was clear that the sentences I gave over the 'phone had not been included.

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31st January.

We have redrafted 'C's telegram and I then went over to see him. He said he had given an assurance to Hayter that the telegram would go off on Saturday. He said it should have been sent and it had been drafted by the F.O. Hayter had insisted on taking out the paragraphs which I had inserted. I told 'C' that this was unsatisfactory, since it could only result in undless muddle and confusion. Apart from that I thought that we should rightly be in charge. The F.O. security department was only a nuts and bolts department and not qualified to investigate espionage. I therefore proposed to see Hayter.

I saw the Lord President at his request. I showed him the note at 52a in PF.61365. He said that it coincided with hiw own views about ZUCKERMAN. He had formed the opinion that ZUCKERMAN was more interested in his own career than anything

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else, and mentioned the fact that when a proposal had been put to him that he should devote his whole time to Government work, he had expressed the view that it was important for him to continue his research work at the University if he was really going to achieve a position in the scientific world. At the moment ZUCKERMAN is acting as number two on the Scientific Advisory Council, and should normally be confirmed in this appointment. If this were done he would, short of any major reason to the contrary, automatically take over from Sir Henry Tizard when the latter retires in two to three years time. The confirmation of his appointment cannot, for various reasons, be delayed for more than a forthight.

I told the Lord President that in our view it would be a mistake to confront ZUCKERMAN with the evidence at 26a, as such a course might make us all look rather foolish. The authenticity of the document could be quite easily denied and we should really get no further. If he felt constrained to say something to ZUCKERMAN, I felt that he should merely approach him on general security grounds and question him as to his association with members of the Party. The Lord President said that he had already done this, on two occasions, and that each time he had received the same answer, namely that ZUCKERMAN had of course met members of the Communist Party, but that he had no time for politics and was far too absorbed in his work. It was left that if we had anything further to say within the next fortnight I would let the Lord President know, failing which ZUCKERMAN would be confirmed in his appointment.

I attended a meeting at the Home Office called by Newsam at the request of the Admiralty, who were not satisfied about the arrangements for possible defectors at Rosyth from the Russian crews who were bringing back ships which we had lent them during the war. A drill was finally agreed which was satisfactory to all parties.

I saw William Hayter there and expressed to him my misgivings about his telegram. I thought that the only way in which we could put this right would be in a telegram to Thistle, which I should be quite prepared to submit to him for his approval. With some reluctance he agreed that we should be in charge of the case, provided all enquiries within the Embassy were done by Bobby Mackenzie. I drafted a telegram accordingly and got it agreed by both Hayter and 'C'. The telegram is to be shown to Hoyer Miller, our Minister.

Hayter told me that he had been responsible for having a passage erased from 'C's telegram.

D.G. Meeting - see minutes.

Geoffrey Patterson and I lunched with Bruce Henderson, Consul General of Dakar. He was at first a little suspicious of Stephen's activities, but we calmed him down and he then become extremely friendly and co-operative.

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1st February.

D.G. meeting - see folder of minutes.

2nd February.

Kirby Green is leaving for the Far East and came to say goodbye.

Graham Harrison of Downing Street tells me that a favourable reply has come from Truman about Shedden's visit.

3rd February.

A telegram from Truman has come in. It is co-operative and welcomes the suggestion of a visit by Shedden to Washington on his way to the U.K. in May.

Through an American journalist, Kingsbury Smith, who posed certain questions, Stalin has now offered to meet Truman wither in Warsaw or Prague. Dean Acheson has handled the situation well and has pointed out that in all the matters in which Stalin has offered co-operation, the Soviet have shown themselves to be intransigent, and that the machinery is already in existence by which quadri-partite discussion can take place.

Moreover, America does not intend to be drawn into unilateral discussions which concern the other Allies. No meeting is therefore necessary or desirable.

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A propos the Washington leakage case. Thistle has telegraphed to say that both Hoyer Miller and Bobby Mackenzie are away. I passed this on to 'C' and to Hayter.

Perfect came to see me about a Secretary. He tells me that the Police are extremely weak in Manchester, partly due to the disinterest of the Chief Superintendent, Page, who prefers crime to S.B. work.

I have seen a paper on the ~~Air Lift~~ to Berlin. It seems that it can be maintained at, of course, considerable cost, and it looks as if the Soviet had banked on its being certain to break down during the winter months.

David Boyle came to see me about one _____ who has returned from his unit in the American Zone to the Post Office. He is anxious that this man should be looked after as far as possible . I have put Boyle in touch with Allan.

I lunched with van Meyland. I told him that I thought Hoosens should be represented on the Brussels Treaty Security Committee.

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and
Marriott/ Martin have seen Carey Foster on the Washington case. Carey Foster is co-operative but a bit light-hearted about the security aspects.

I had a talk with Dick about our forthcoming discussions with S.I.S. He told the line that we have really got almost everything we want, and that all we want to do in a general way, is to have our position recognised and get rid of the attitude of the F.O. and S.I.S. whereby any demands for relations with

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overseas Security Services are regarded as an encroachment on their preserves.

S.I.M.E. have informed us that they have been given a letter by J.I.B. representative marked Top Secret and Personal which reached the Middle East from London through the open post. There is some suggestion that it has been opened by the Egyptian authorities, and indeed this would not be surprising.

The Permanent Commission of the Brussels Treaty Powers have endorsed the setting up of the Information Committee on which Irvine and _____ will be the joint secretaries in London.

4th February.

I attended the J.I.C. D.M.I. expressed a desire to establish a Military Attache in Jerusalem. The F.O. have turned this down, but are looking into the matter. This raised, in my mind, the question of sending a S.I.M.E. representative back. I have asked Dick to sound Bill Magan.

Pendred suggested that J.I.C. should write a paper on a possible collapse by the French in Indo-China.

Hayter announced that the Foreign Secretary seemed likely to approve the cold war. This is, of course, a reversal of his previous policy.

A telegram has come in from Kellar about representation adjacent territories such as Siam, Indo-China and Indonesia. He is anxious that we should take this up as soon as possible with S.I.S. on an ad hoc bases.

Hollis has telegraphed about an interview that he has had with Chifley. He made it very clear that unless something was done fairly soon all information on defence and research matters as between ourselves, Australia and America would be

likely to dry up. Chifley, while still maintaining personally that the whole thing was boloney gave orders that priority should be given to the setting up of the new service under Evatt. He did not want to have it himself as he now realised that it dealt not only with counter-espionage, but with political matters. The new service is to be under the cover of C.I.S., but will have a separate head.

Travis came to see me. We discussed the Washington leakage case. He said that he did not want to put Thistle in direct touch with Marr Johnson. He gave no very valid reason, and on my pressing him, said that we might take the matter up again with Eddie Hastings. I told Travis that my experience in dealing with the case in Australia had shown that unless an officer on the spot could see the actual documents he was at a very great disadvantage. In fact, there was much of the material that we simply did not dare send to Hollis in case we might be misleading him. It is only the person that has access to all the local relevant information who can really interpret the texts. I wished that Travis, would discuss with Hollis in Melbourne when he got there on 9th February, the question of approaching U.S.C.I.B. for permission for Hollis to brief Shedden before his departure to Washington. Travis himself would be in Washington about 1st April and would like us to write to him there stating exactly what we want him to do.

5th February.

The F.O. have sent over a draft telegram to Chifley. It seemed to me unsatisfactory. They do not state that the P.M. had taken the initiative in writing to Truman. I felt sure that Shedden would discover this when he visited Washington, and that there might be an accusation of a lack of frankness. I have also inserted in the telegram a paragraph stating that it would go a long way towards allaying American anxieties if Shedden could say that the various measures outlined by Chifley in his letter to the P.M. of October 4th had beenput into effect.

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7th February

Downing Street have sent over the telegram to Chifley amended in our sense. I spoke to Archer when I told him the position.

I had a meeting with 'C' and Cockcroft. We discussed the application of radio-activity and security. He says that it is quite possible to impregnate paper, metal clips or ink with radio-active substance and to install either under the floor boards or in a door post, or under the ground outside an apparatus which will register if anybody goes out of the building with a secret paper so impregnated. The individual would have to pass within three or four feet of the recording apparatus. 'C' is rather anxious to apply this system to Eastcote. There are certain snags in that if a file of papers was impregnated were lying in somebodys draw there would be an accumulative radio-active effect on the health of anybody sitting in the vicinity. It would at the outset produce extreme lassitude and later a loss of blood counts. No serious harm would result if the papers were removed and the symptoms detected. To counter these ill-effects it would be possible to introduce some self-destroying material. This would mean that after the lapse of so many weeks the radio-activity would cease. Another snag is the wrist watch will illuminous dial which of course contains radio-active substance. The apparatus would certainly record anyone passing it with such a watch. It would be possible to have a portable recording set which might be extremely useful on occasions when it was of paramount importance to know when a man leaving a certain building, or walking in the street, had, in fact, got the secret documents on him. I said that I thought we wanted time to consider how this new discovery could be applied and that probably it should only be used in particular cases where we already had some prima facie evidence. If it were used in general way it would soon become known and would therefore cease to be of any value.

8th February.

D.G. Meeting - see folder of minutes.

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Desmond Vesey came to see me about the Courtenay FOOTE book, certain passages of which had been queried by Hollis. It did not seem there was very much point in altering any of these since I gather that the book was already appearing in serial form on the Continent, and that the Americans had the proofs for publication in the U.S.A. The American proofs could be amended, but this would only draw attention to certain aspects which might be better left along. I asked John Marriott to ensure that the book had the agreement of S.I.S.

Vesey talked about the recent visit he had paid to Paris where he had attended one of the sessions of the KRAVCHENKO trial. He had actually spoken with KRAVCHENKO who is apparently anxious to come to this country, and I believe to bring an action against the Daily Worker. He would, however, be prepared to do this only if he were given adequate guards. I told Vesey that this would really be a matter for the F.O. and H.O. and depended whether there was any percentage in it from a cold war point of view. It was perhaps a bit early to say whether KRAVCHENKO was coming out well in the trail in Paris. If not there was no particular point in his coming to London.

Sir George Abbiss came to see me. The Malayan Union were pressing the Colonial Office to send out someone to re-organise their Registry. We were not in a position to sent Potter when asked to do so last November. The C.O. had therefore applied to the Metropolitan Police through the Home Office. The Commissioner had agreed to send a junior clerk, whom Abbiss thought unsuitable, and was reluctant to sent an inspector. Apart from this all sorts of questions of payment had arisen. He wanted to know whether we could now help in any way. I spoke to Horrocks and suggested that we might sent a Palestine Police Registry officer from the Middle East, who was in charge of S.I.M.E.'s Palestine records. We have telegraphed Kellar accordingly asking whether this would be acceptable.

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9th February.

I have had a letter from Roger from which it appears that nothing had really been done until his arrival. He had had a talk with Bailey and told him that the matter was really urgent since if nothing were done it would not be long before communications, not only between ourselves and Australia but between ourselves and the U.S. on matters of defence policy and research, would be dried up. This was brought about by the fact that our information was so interwoven with American that it was impossible to disentangle it. If, therefore, the Americans continued their ban on any of their classified material going to the Australians, this would impose the same restrictions on our material. Bailey was evidently glad that Roger had spoken so frankly. There followed a meeting with Evatt and Dedman, and then a meeting with Chifley, who gave orders that the setting up of the new Security Service was to be treated as a matter of urgency. The new Service is to be under Evatt as Chifley had not comprehended it would deal with political matters as well as counter-espionage. It will have a separate head and will only use C.I.S. as a cover. C.I.S. is to be confined to law enforcement. Hollis has telegraphed about cover for Courtenay Young. The High Commissioner is prepared to make him an Assistant Secretary on his staff. This is equivalent to the F.O. First Secretary. The approval of the C.R.O. is required.

Malcolm Cumming has told me about a new Post Office system of line broadcasting which is likely to be introduced. The reason is that in war time air broadcasting provides a beam by which hostile aircraft can get their bearings. The effect of this new system will be to broadcast the conversations of any

people [redacted] it is hoped that the engineers will be able to get round this difficulty.

I saw Archer and gave him the latest information from Australia. I also told him about Countenay's new position for which he will endeavour to obtain approval.

I saw Newsam and gave him our draft answer to Sir O. Sargent on the question of divulging to Gambier Parry's engineers [redacted] which it was alleged they required in order to give our Embassies the necessary protection. The answer is that the G.P.O. are prepared to do this work and that the spread of knowledge is unnecessary and undesirable. The question of expense does not arise as the G.P.O. already have a commitment on this question on behalf of the Canadians.

I also showed Newsam the Ministry of Defence paper on the policy in regard to Communists in industry where secret work is going on as he would ultimately have to brief the S. of S. He agreed that the paper, but thought that where a dismissal was found necessary, the Government should refund the compensation for breach of contract. He thought that this would act as a deterrent on the Ministry of Supply and the Admiralty in taking too light-hearted a view in forcing the issue where dismissal was the only remedy.

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10th February.

I saw Brigadier Cochrane who is going as Chief of Staff to East Africa. I told him more or less how we were situated. He understands the D.S.O. position as he was formerly Chief of Staff in Palestine.

Tim came to tell me that his job in the W.O. had fallen down owing to a general policy of cuts instituted by Slim. Apparently M.I.11 Colonel and D.D.M.I. (O. & S) are to be abolished and their functions taken over by other sections.

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Shield Smith of the Aliens Dept. rang me up about an employee of the American Embassy, CLAPT, who has been dismissed and his passport removed as he was proposing to marry a woman who was coming from Hungary. CLAPT apparently has a certain amount of knowledge of the air side, and this liaison is considered suspicions, although there appear to be no concrete grounds at all. The Americans have taken away CLAPT's passport and want us to deport him. S.B. are keeping him under observation.

I telephoned [redacted] relating to Communist activities in the Vancouver area. The information had come from a member of the Canadian D.N.I.'s staff who seemed worried that nothing was being done. There was some suggestion that a British ex-naval officer in Vancouver should investigate further. I made it clear that this would be most undesirable and that if the Canadian officer was really worried his only line was to get permission from his own D.N.I. to go and see the R.C.M.P., either Nicholson or McClellan.

I spoke to Allan about [redacted] one of David Boyle's employees in the Middle East who is returning to the Post Office. I arranged that D.B. should give Allan the details.

Haldane Porter came to see me about a letter sent by J.I.B. London to J.I.B. Middle East, Top Secret & Personal, which had arrived in Cairo through the normal postal channels. It seemed not unlikely that it had been opened. This point was being gone into. Haldane Porter has discovered that the real trouble lies in the Ministry of Defence mailing system. They have two trays along side each other, one internal mails for J.I.B. and the other exterm l mails. Clearly this particular letter had slopped over into the internal mails tray.

I sent to see Val Boucher about Tim. He said that while he would keep his eyes open, the present job had clearly come to an end. The prospects in M.I.11 no longer exist. I took this opportunity of expounding to him my views about the permanent civilian nucleus in M.I. as part of a wider loosely knit intelligence scheme comprising similar nuclei in eachh

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Service Department, S.I.S., ourselves and J.I.B. This seemed to be desirable if a suitable field of promotion was to be provided for intelligence generally instead of the narrow one which at present existed. It was difficult to get good people and more difficult to keep them. Boucher seemed extremely keen about this proposal. He thought there were at least 20 jobs which could perfectly well be carried out by civilian ex-officers.

I then drew his attention to the present system by which young conscripts with high academic qualifications were just wasting their time filling in forme as army clerks. It seemed to me that these young fellows might be more profitably employed on intelligence duties and at the end of their training they would either provide s useful recruiting ground for ourselves or S.I.S. or at least be earmarked for intelligence duties in time of war. Boucher seemed enthusiastic about this idea as well.

11th February

F.J. and Thomas came to see me about the enquiries into 6 or 8 sabotage cases in the Navy. Thomas seemed to think that the Communists were behind them. I said that ie he was referring to the C.P. Executive, or even the local Party Headquarters, I felt this was unlikely. I could, however, well imagine that a few disgruntled elements, possibly with local Party contacts, had taken upon themselves to commit these acts. Party Headquarters I felt would realise that if they became implicated they would only be adding to the coals of fire descending on their heads from the T.U.s and would further prejudice their chances in the elections for which they propose to put up 100 candidates.

I saw the Vice Chiefs of Staff at 11 o'clock on the difficulties with the Americans about placing a contract for V.T. fuses with MULLARDS. Although the invention is largely ours the Americans regard it as their own as they have made certain minor improvements. They think that as MULLARDS is a subsidiary of Phillips of Eindhoven, a firm with international ramifications, the security of these fuses would be jeopardised. We have framed a contract with MULLARDS which we think should provide sufficient safeguards and have sent a copy to Washington. Washington now want us to send out an officer

to argue the case. I said that before doing so the Americans should be drawn into stating precisely what their objections are, otherwise the officer may be wasting his time. This was agreed, and a telegram is to be sent accordingly.

At the J.I.C. the D.M.I. stated that the Americans wanted to take part in C.S.D.I.C., Salonika. It was agreed that we had better allow them to do so otherwise they would start one of their own and the usual fight for bodies would ensue.

Hayter said that a report had come in from the Americans on information supplied by the Czech F.O. defector _____ This would be circulated. It showed the measure of control by the Russians over the activities of the Czech F.O.

D.N.I. mentioned a case of sabotage in the Navy. I gave him my views, but said that we should be looking into the matter further.

'C' mentioned that a Russian agent had been captured in the British Zone. He had got what was thought to be a phoney story as an assignment, but had told a stool-pigeon that he was really there to sabotage the air lift. Further information is expected.

Dick has produced his first paper for discussion with S.I.S. It realtes to our representation in foreign territory and our liaison with foreign services.

Hill tells me that it has now been discovered that CLAPT is a Canadian born citizen. There can, therefore, be no question of his deportation.

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12th February

I spoke to Mitchell about the sabotage case and found that he had not been consulted before the report was sent in to Admiralty. This I think arose from certain separatist tendencies in the sabotage section who think that they are acting purely as Admiralty representatives. In fact, any such report ought to be

assessed in the light of all the information we have in this office.

Mitchell tells me he has identified one of Burt's informants. Burt submitted a report which Mitchell is anxious to have cards on the table with Burt.

Donaldson telephoned to say that the Cabinet meeting on Communists in industry has been cancelled and the paper withdrawn owing to legal objections by the Admiralty to the clause which suggested a warning being given to other firms who were inclined to take the man on. He wants to discuss this at a meeting on Wednesday.

There have been a large number of leakages in the press re Western Union military plans. This is not altogether surprising since in the case of the French, the Finance Minister gave details to a Parliamentary Committee on which Communists are serving. According to a report from one of our attache's in Sweden, the Swedish Chiefs of Staff have recommended to the Minister of Defence that Sweden should join the Atlantic Pact. They do not believe in the argument that Swedish neutrality will have any effect on Russian action in Finland.

S.I.S. have produced an interesting report on the economic and political situation in Yugoslavia, and also one on the break up of the Tudeh Party in Persia which has resulted from the attempted assassination of the Shah.

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14th February.

At the Directors' Meeting we discussed the M.I.5/M.I.6 situation.

Horrocks said that he had heard from Bill Magan that he was satisfied with the position of Hackett Pain in Amman for the time being. He did not wish to offer him to S.I.S. until we knew what our representation in Palestine was likely to be. I drew attention to two cases where it seemed that the Soviet Consul and the Soviet Attache (Military) were interested in

the recruitment of individuals from the criminal classes. We have not yet ascertained precisely what their motives were, but it seemed to me we should take every possible precaution here in regard to attempts at burglary. Horrocks said he would look into this.

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Burt came to tell me that [redacted] one of his informant had been given a job as P.R.O. to Pan American Airways in Canada or the U.S.A. He said that [redacted] had had an interview with Bob STEWART, that he had been told to hand in his cards, but that he would still continue to pay his dues through a Miss [redacted] What actually caused Burt to tell me this at this stage I do not know. It may be that he thought that as his informant had been to King Street we might have heard something and tied the information up with a previous S.B. report, which, of course, we had. I did not tell Burt this, but I propose to discuss it with him after talking to Graham Mitchell. This man is not Burt's best informant, whose name he might tell me one day.

The meeting was at my request as I wanted to talk to Burt about his successor and considered what he told me regarding his own transfer, and that Hatherill will probably take his place. I said that I thought this was a pity. I reminded him of the re-actions of S.B. to when he and his officers were posted to M.I.5, namely that the Branch was loosing promotion and that after the war he and his officers would take over the important posts in S.B. This had come true in so far as he himself was concerned. Personally, I do not regret it because we could not have wished for any better arrangement, and he obviously had the personality to live down any unpleasantness or difficulties that he might encounter in S.B. I wondered, however, whether it was altogether fair to pass Hatherill over from C.I.D. instead of giving the job to Tommy Thomson. We would much prefer Thomson as head of the Branch. This moreover would probably lead to Jones being moved up to Superintendent. I said that I was quite prepared to talk to Howe about this, but this was impossible since officially I knew nothing about Burt's departure. Could he not perhaps suggest to Howe that he should have a talk with me about his successor? Burt said quite frankly that he doubted whether they could avoid giving Hatherill the job without his feeling that he had been passed over and that he himself would much prefer to see Thomson take over. There was also another snag, namely that if Hatherill were considered unsatisfactory they might decide to leave Burt where he was and put Hatherill in as Deputy Assistant Commissioner, C.I.D. I said I doubted whether Hatherill had the personality. I think Burt doubted this too.

He knew, moreover, that Hatherill had always been skeptical about the work of S.B. He had done his best to correct this attitude.

I had a meeting with the D.M.I. and other officers on Operation BRITTANIA. I suggested that the D.M.I. should give the lecture on security and that where he inminged on M.I.5. activities a representative of our office should be on the platform to enlarge on the subject and to answer questions.

I had a discussion with Dick and Mitchell about Burt's visit. They seemed to think that he had not come entirely clean. I propose to see Burt and suggest to him that if we knew the names of his informants we might be able to help him considerably.

I had a talk with F.J. about sabotage and the submission of reports to the Admiralty. He entirely agreed with me that they should be thoroughly integrated and assessed in the light of B.1 information. He thought there was a tendency by the sabotage section to take the view that B.1.A were too academic and divorced from realities. This view was, of course, thoroughly erroneous.

15th February.

Perfect tells me that S.I.B. have been urging local members of the Police Force to take executive action. A particular point in question was where they wished to recover certain documents.

Chief Constables have intimated that they do not like this procedure. I have told Perfect and Hill of C.2. that our advice to the Military should be that in cases where executive action was asked for, Chief Constables should be approached in the first instance.

At the D.G's meeting to-day Hill said that the Cabinet Offices are worried about the security aspect of

Churchill's memoirs, which are being printed by the Chiswick Press. Nobody has vetted the employees of that firm. The proofs are submitted and go back blue-pencilled to the firm, who thereby have a clear indication of whatis of security interest.

It has been agreed by Ceylon that Wagstaffe should be known locally as S.L.O. attached to the High Commissioner's staff.

Mitchell stated that Bowen and Leggatt, two of the Advisers on the Purge committee, had become rather restive about some of the Ministry of Supply cases, which although falling within the P.M's ruling, might by their weakness bring the whole procedure into contempt. Mitchell said that about 113 prima facie cases had been put forward and that 30 or 40 of them had had notices served. In 140 cases we had advised that there was no prima facie case, but nevertheless an element of doubt.

I attended the Hollis Committee, which was concerning itself more with organisation in time of war. At the conclusion of the meeting General Hollis raised the question of the Press publication of details about our armaments - or the lack of them- and that under these circumstances deception was becoming increasingly difficult.

I said that from our experience in the matter of D. Notices, I did not think that we were likely to get much help from the Press in a matter which they would consider to be of the highest national importance. Moreover, nothing that we could do could prevent Winston, or other Members of Parliament from attacking the Government on the paucity of our armaments.

Hayter agreed with this; he thought the only thing to do was to accept the position and endeavour by deception to persuade the Russians that our secret weapons would compensate for our deficiencies in manpower and other equipment.

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I had a meeting with Hayter about KRAVCHENKO, who David Vesey tells me is anxious to pay a visit to this country. Before taking up the matter with the Home Office, I am anxious to know whether from the "cold war" point of view the Foreign Office think that such a visit should be encouraged.

16th February.

I attended the J.I.C. Deputies meeting. There was a criticism of our D.S.O's report on Cyprus, which was thought to have been unduly alarmist and a further report has now been called for.

It was pointed out, however, that although the D.S.O's recommendation that AKEL leaders should arrested was considered to be too drastic a step, three of the leaders had, for one reason or another, been locked up and that the position was now considered to be relatively quiet. It seemed to me that perhaps the D.S.O's advice had not been so bad after all. Trafford Smith, to whom I spoke privately, was inclined to agree.

Brain said it was now certain that Norway would join the Atlantic Pact and turn down Russia's offer of a non-agression pact. He also mentioned that the Greek Minister had told Sir Orme Sargent that the Americans have asked for permission for U.S. naval pe sonnel to use certain Greek islands as a training ground.

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Hill and I went over for a meeting with Donaldson and legal advisers from the Treasury, Ministry of Supply and Admiralty. The Admiralty appeared to be worried

about a clause in the Government memorandum on Communists in Industry, by which some advice should be tendered to firms when a high-grade technician had been discharged from another firm on Communist grounds. It was eventually decided to confine activities solely to the contractual clause and to leave it to chance in so far as the man might obtain employment in another factory where Government secret work was going on. To take another course might involve the Government in accusations of victimisation. If, however, a firm asked us before engaging an individual, it would be permissable for us to say that that man had been discharged from a previous firm under a contractual clause.

I had a discussion with Hill and Irvine on the memorandum produced by the Security Committee working party on what the Russians were likely to know from publications in the Press and from documents circulated to Western Union powers and to "leaky" Dominions. I thought that the paper had rather played the risks down, and it seemed to me that the Planners should be called upon to say what the extent and seriousness of the Press leakages were. They should also be aware of the fact that in the case of the French a considerable amount of information was given by the French Finance Minister to a Parliamentary Committee on which Communists sat.

Vickers have refused, on security grounds, to have Russian inspectors engaged on passing extrusion presses in their works. After a good deal of resistance the Russians have given way, on the understanding that this work will be done by Lloyds at Vickers' expense.

17th February.

Colonel Jeffreys of M.I. and Colonel Munn of S.O. came to see me about Operation Britannia. As a result of the discussion, we are to send a representative to the Exercise prepared to argue the case of a possible sit-down strike and sabotage in a Royal Ordnance Factory.

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I have just received the first tabled document from S.I.S. on the question of our representation with foreign Security Services. It is in our view an extremely bad document which does not take much account of the de facto position by which we are already in relations with security bodies in Western Union in London. All the arguments put forward seem to have little reality.

Perfect came to talk to me about County Police. He thought that in view of the widespread area over which they operate, it would be useful if some of their C.I.D. detectives, who occasionally have to handle S.B. matters, could attend S.B. meetings. This would be a better arrangement than our giving a lecture to all County detectives.

Sir George Abbiss telephoned to me about sending someone to organise the registry of the Malayan Union Special Branch. I told him that Gray was not anxious to have the ex-Palestine policeman and that we were now enquiring whether Potter would be acceptable.

18th February.

I attended the J.I.C.

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came to see me about a Czech family called BECVAR, living near his home at Uckfield. He was worried because these people, who had lived here for a long time, appeared to entertain the Czech Ambassador and members of his staff.

has apparently got a strong anti-Communist complex, but he differs from others of his kind in being conscious of his own obsession. He was formerly a distinguished Consul General.

I saw the D.G., who returned yesterday, and told him about Australia and the Washington case.

19th February.

Two more letters have come in from Hollis. It does seem that the Australians are really trying to get a move on.

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21st February.

Desmond Vesey has sent me a letter about KRAVCHENKO's visit. He, KRAVCHENKO, wants to broadcast, interview prominent M.Ps, have a film taken of himself, and speak at meetings in industrial areas. He insists that if he comes he shall have at least two guards permanently in attendance, and to be put up in a suite in some such hotel as Claridges. In addition, he wants permission to reside here under a false name. This last request wont have much reality if he stays at Claridges!

I have passed this on to Hayter, with a request for an answer by Thursday, when Desmond Vesey will be revisiting Paris.

Bill Wright came to see me. He wants a job in this country as a Chief Constable. He left us because he did not think there was sufficient scope.

At the D.G's meeting to-day we discussed the position of Tim Airy, Walter Bell, Gale, Clayton and Thistle.

The D.G. gave an account of his visit to the Caribbean, where he said the conditions under which the Police work were about as shocking as anything he had ever seen.

Johnson has sent in a report about the Police in West Africa, which evidently leave much to be desired.

I saw the Lord President at the House of Commons about one, _____ who wants to be employed in the Central Office of Information. A certain Dr. Adler there had told him that he would get employment, subject to approval by M.I.5. We advised against his appointment, owing to his past record in the International Brigade and the fact that he had until quite recently been employed by the Czech Ministry of Information which at that time was under Communist control.

Morrison, who read the papers carefully, entirely agreed with our view. He said, however, he was likely to be attacked by Norman Dodd, who he thought was a "fellow traveller", and to whom had lodged a complaint about M.I.5. He was quite confident, however, of being able to deal with Dodd. He said he would be very grateful to have a list of "fellow travellers" from us, as he intended to "smoke them out" of the Labour Party. I dodged this one, but if pressed I should have had to tell him that such a list was in the hands of the P.M.

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22nd February.

The D.G. told his meeting that the P.M., whom he had seen, was anxious to know about MOSLEY's recent activities. He also stated that he was distrubed about the Purge, which he thought might be going too far. The D.G. invited him to come round and have a drink at the office, which he cordially accepted. He is, I gather, to come on March 16th. Norman Brook and Bridges are to be invited as well.

I talked to Mitchell, Hill and F.J. about the case. This man, who is a Communist, is causing labour troubles at one of the atomic energy plants. We came to the conclusion that we could not move him until the Cabinet Committee had reached a decision about action against Communists in industry.

could be got rid of under the Ministry of Works contract, but the clause in such contracts is not primarily designed for political cases. Although case is somewhat different from the one which the Cabinet are discussing, it is sufficiently close to it to cause the whole issue to be raised in the House, particularly if a strike were to result from dismissal.

I talked with F.J. and Boddington about key points. It seemed to me that some consideration should be given to the question of arming the civilian guards. In talking to Skardon subsequently, I learned that the difficulty of arming Police was got over by enrolling members of utility undertakings in the Home Guard; this entitled them to have a rifle.

F.J. and Thomas came to tell me that a curious approach had been made to an ex-Naval rating in Portsmouth. It seemed that, with the assistance of certain dockyard maties, sabotage material was to be got on to one of H.M. ships. At the moment, however, the information is somewhat vague.

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23rd February.

There was no J.I.C. to-day.

We had our first meeting with S.I.S, which lasted 3¼ hours. It was not possible to reach any agreed decision until much more ground had been covered, Generally speaking, we felt that S.I.S. would be accommodating about the de facto position, provided we could get agreement about housing both departments in the same building in London, which would ensure close integration and production. They went so far as to suggest that if this were possible appointments abroad for liaison on C.E. work might be made either from M.I.5 or M.I.6 as appropriate

The meeting was quite friendly, but I made it clear that we were rather tired of having any constructive suggestions put forward put forward as an encroachment upon the preserves of M.I.6. I also asked S.I.S. to state at their next meeting whether they had any complaints about our liaison on foreign territory as at present constituted, and whether they considered that they themselves derived any advantage, for example, by having Jack Morton in Baghdad. Was it a matter of complete indifference to them whether the post was maintained or not? Personally we thought that Morton's position had been one of very great value to S.I.S. and we could advance arguments in support of our belief.

We have had a telegram from Kellar in which he says that Dick Ellis thinks that there is a case for our having representation in countries adjacent to the Malayan Union, owing to the fact that there are several organisations in each of these countries handling C.E. matters, and that this difficulty can only be overcome by local representation. This, of course, is precisely the opposite argument put forward by S.I.S. Head Office in their memorandum.

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24th February.

At the J.I.C. to-day the question was raised by the Foreign Office of Jews formerly employed in positions here where they had access to highly secret information, who were now serving in the Israeli Government. A serious case was one affecting G.C.H.Q. A former employee of theirs who had access to almost everything is now the Under-Secretary of State for Foreign Affairs in the Israeli Government, and still has a brother at G.C.H.Q. There are also other cases of people who were in the Services during the war.

There was some attempt at the meeting to suggest that we should try and obtain lists of Jews with Zionist sympathies at present employed in Government departments here. I said that while I realised there might be such cases, I thought that we were on extremely dangerous ground, since our enquiry would clearly touch Ministerial circles. I thought, therefore, that for the time being we ought to confine ourselves to the Foreign Office suggestion and ask departments to notify the Secretary of any cases where they actually knew of former Government employees who were now in Israeli service.

I had a word with Carey Foster after the meeting about the Washington case. He has called in several Foreign Office officials of Counsellor rank to try and obtain from them some information about the general set-up at the Washington Embassy at the time of the leakage. He says that at the moment it is difficult to see how we can make much probress, since there is apparently no comprehensive list either here or in Washington of the people employed. I gather that the papers which are known to have leaked were circulated, emongst others, to Security Co-Ordination. This makes another starter.

The D.P.P. came over and gave a talk on the kind of evidence that he required in espionage cases.

Hollis has telegraphed to say that a lawyer named REED has been appointed as Head of the new Security organisation in Australia. He has asked for permission for this man to be indoctrinated.

I told the D.G. about yesterday's meeting with S.I.S.

I left, with Oughton, for Glasgow in the evening to attend the Chief Constables' Conference.

25th February.

In Glasgow I gave a talk on the international situation as it affects our security, which I interpreted as meaning "What are the Russians trying to do, and what are the chances of our being involved in another war". I said that although this subject was to some extent anybody's guess, I thought that it was possible to draw attention to certain basic factors from which it might be permissable to arrive at tentative conclusions. The important thing to remember was that the Russian Revolution had been going on for over thirty-one years in complete isolation, and that those in control up to the age or 45 or 50 had been brought up on Marxian doctrines to the rigid exclusion of all others. There was contact with foreigners in Moscow and there was no possibility of accurate reporting by Soviet representatives outside, since they would only dare to say what they thought Moscow would like to hear. From this it followed that the Russians were likely to have implicit faith in the fundamental doctrines of Marx, which would cause them to believe in the inevitable demise of capitalism, with the possibility of an attack by capitalism in its death throes. This caused them to tighten up the Party line in Russia and intensify their revolutionary activities abroad, with the object of creating round themselves an ever-widening protective belt.

I then outlines the various tactical moves which were going on to give effect to this basic political strategy. After trying to weigh up the pros and cons of Russian chances of success, I said that in ten or fifteen years time, if Russia developed at her present rate without serious set-backs, she should have a colossal war potential, and that she might attempt to get by over agression what she had not been able to get in the meantime by subversion. Meanwhile, she could clearly obtain what she wanted much more cheaply by subversive methods, and in any case she could not wittingly risk agressive war as long as the Allies had superiority in weapons of mass destruction. This

did not, however, mean that the risk of war was wholly eliminated. Russia might, through her ignorance, become involved in such a war if she carried her subversive activities too far, particularly in places like Persia or Turkey, which were vital to Allied defence.

Oughton followed with an extremely good lecture on the general trends of the Communist Party since the beginning of the war, the dangers of it, and the nature of the work which we wanted Chief Constables to do. Although no questions were asked at the beginning of the lectures, I gathered from Mann, and also from other officers of the Glasgow Police, that they were appreciated. I think the gathering will have carried away an impression of the possibilities of war and the consequent importance of doing something about the Communist Party, but I should have been doubtful about the results if each member of the audience had been asked there and then to write down a short synopsis of what we had been talking about!

Our reception could not possibly have been more cordial, and there is no doubt that the Glasgow Police are very much alive to the problem. They have an excellent S.B. officer in the person of Kerr.

28th February.

Murrie of the Home Office rang up to say that he was having a meeting with Howe to-morrow about aliens changing their names. This matter is apparently to be discussed in the Cabinet and arises from the STANLEY case. I said that as long as there was some kind of record by which we could subsequently ascertain a man's real name, I did not think we could press for any maintenance of the wartime order by which aliens were not allowed to change their names.

There is, I think, a proposal that it should be made an offence to do so without notifying the proper authorities. Hill is to attend the meeting to-morrow.

Gardiner rang up to say that there had been a complaint by the Minister of Defence, Sir Harold Parker and Sir Henry Tizard about our failure to solve the petroleum leakage case which occurred last November through publication in the Daily Telegraph. He wanted some ammunition from us to shoot this down.

The fact is that you cannot use the Official Secrets Act in cases of this sort, and that in many cases you can do no more than interrogate a large number of people in the Ministry, which may act, to some extent, as a deterrent. We have not got time

the manpower to do this and it should really be done by the Security Officers in Ministries. Hill is preparing a note for Gardiner.

We have received the S.I.S. paper with which we are not very impressed. It begins by stating their Charter, which completely overlaps our own. It will be interesting to know where this Charter came from!

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1st March.

Colonel Munn came to see me and brought me a synopsis of his lecture for Exercise Britannia.

At the D.G's meeting to-day I told them about the visit to Glasgow by Oughton and myself.

I told the meeting about a conference being held at the Home Office, which Hill was attending, regarding the question of aliens changing their names. I said I thought this was really more a criminal matter, but that we could really have no objection provided we could easily trace the individual concerned when necessary.

I spoke about Security Officers doing their own interrogations in leakage cases in Ministries.

Mitchell spoke about the purge. He said he had attended a meeting at the Ministry of Supply last week on the question of extending the purge procedure. They said they were proposing to go exceedingly slowly and carefully on the question of industrial employees, and intended to take into account not only the possibility of industrial repercussions, but also political ones. They have practically decided to place all their outstations in the secret category.

In connection with this, Dick White said that firms will not be able to wait much longer for a Cabinet decision regarding industrial employees.

Dick told the meeting that Hollis has reported that the formation of an Australian Security Service is now under way and that a man called REED has been appointed the first Director. He is a distinguished lawyer and a Judge of the High Court in South Australia. He has now, however, had any other experience.

At the Appointments Board we selected several candidates, who were altogether a better lot than we saw last time.

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2nd March.

Burt came over to see me, I think primarily to ask me to give his boy a testimonial. I took the opportunity of talking to him about the [redacted] case. I told him that on looking into it I had discovered that we had had various reactions from our own sources about this man. The Party seemed to trust him, but regarded him as rather a poor fish. He was not prepared to stick his neck out too far if there was likely to be trouble.

I then asked Burt about [redacted] mission in America. As we understood the position, he had been told to keep his eyes open for information about aircraft. If this were so, it is perhaps important before he reported anything to the Party that he had seen in America, we should have a look at it. It might be that we should want to cut some of it out, or possibly to pep it up a bit. Another point as regards the Americans. If [redacted] had been an agent of ours we should probably have told Mickey Ladd, with whom we had worked on a basis of complete confidence. If [redacted] had been making contact with Communists over there, it might well be that Ladd would write and ask us about it; we should then be in an extremely embarrassing position.

Burt entirely agreed, and said that he would like to consider whether there would be any objection to our informing Ladd. This brought me to another point. It was clear from the case of [redacted] that we could, from our sources, give Burt some quite valuable reactions from the Party as to how his informant was going down. The same would apply in another important case of which he had spoken to me previously. If we knew the man's name we might be able to help him.

Burt said that there was absolutely nothing that he would not tell me, but he, nevertheless, had difficulties within his own branch. The old-timers, like Thompson, were desperately jealous and always wondering whether M.I.5 would not be claiming kudos for something that they had done. He thought the whole thing was entirely ridiculous and that we ought to have complete cards on the table and, in so far as I was concerned, this is what he proposed to do. Such was the position, however, that he would not tell Tommy Thompson that he had done it. I said that I fully appreciated his position and that I had not been in S.B. for 12 years without knowing that everything he told me was true. He said that he

wanted to look up certain particulars about this informant and that he would then speak to me again. Meanwhile, he mentioned that he had successfully miked the C.P. conference at Beaver House. He had at first intended to do this through the loud speaker apparatus, but at the last moment they decided not to use a loud speaker; this had presented him with a certain difficulty, but it had been overcome. Nothing of a very sensational nature had been said, but the report had been, nevertheless, interesting.

I had a discussion with Dick, Horrocks, Mitchell, M.E., Marriott and Martin about our meeting with S.I.S. in the afternoon. It was arranged that Mitchell would deal with the Communist side, and that M.E. and Marriott should deal with the foreign intelligence organisations. I would raise the question of the Charter.

At the meeting with S.I.S., I started by quoting from our Charter, which seemed to constitute a complete overlap with the Charter given by S.I.S. in the document they had tabled. They said that by charter S.I.S. was charged with: (i) the invesitgation and study of all potentially subversive movements in foreign countries which are, or are likely to become, detrimental to British interests and/or are, or may become, vehicles or media for clandestine operations (including espionage, sabotage, and the exertion of underground influence) on the part of a foreign power; (ii) the investigation and study of the organisation, personnel, objectives and activities of foreign intelligence services.

I asked what the date of this Charter was and from whom it had been received. This clearly caused some confusion in the minds of the opposition and distinct signs of uneasiness. Easton finally said that it was rather a matter of history and that it could be gone into if this was considered necessary! It was quite evident that there was no Charter and that S.I.S. had said to themselves; "What are we doing?" and had then sat down and written a charter to cover it. Since the whole of their subsequent remarks about their duties were based on this charter, it seemed to us that it was important to know about its origin. S.I.S. promised to make enquiries.

I pointed out that if in para. 1 after "foreign countries" they said "other than matters affecting the defence of the realm" it would be more or less in accordance with our Charter, but that as it stood it definitely conflicted. I did not press S.I.S. unduly, as I felt that we were really there to discuss what S.I.S. and ourselves were actually doing, the necessity for our actions, clarification of what S.I.S. mean by "collation and counter-espionage", and the extent and necessity for any overlap. We

therefore drew a line and proceeded to discuss these matters.

We pointed out, and it was agreed, that in many cases where S.I.S. referred to "collation", they really meant what we would call "case work". It was agreed that neither party could claim paramouncy as regards Communism. Both sides had a contribution to make, but neither could be a final authority, since other agencies, such as the Foreign Office, obviously made a considerable contribution. The final word on this subject should really be given in a combined paper produced by the J.I.S. to the J.I.C.

As far as foreign intelligence organisations were concerned, it was agreed that M.I.5 should be the final authority for the purposes of the defence of the realm.

When we got down to the exact meaning of C.E., it seemed that S.I.S. regarded C.E. primarily as an investigation to satisfy themselves that their own organisation was not being penetrated, and that any agents they were employing were not in fact double-agents who were really working for the enemy. Our interest was to obtain as much knowledge about enemy intelligence organisations and the activities of their agents, in order that we could counter them in any cases which affect the defence of the realm. This seemed to be the major purpose for which a study of foreign intelligence organisations should be made.

We then discussed what could be done to reduce what seemed to be a necessary overlap. We all thought that the close proximity of the two organisations in one building, and some linking of the records, would go most of the way, but that owing to difficulties of accommodation it might well be impossible to bring this about for two or three years. Meanwhile, we thought that some exchange of liaison officers, and some attempt to get records on to similar lines, should be undertaken. We are going to discuss this in detail at our next meeting.

The S.I.S. view seems to be that if they can get closer integration at home, certain of their objections to our having direct contact with our opposite numbers abroad would be eliminated.

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3rd March.

Burt came to see me. He had obtained further particulars about [redacted]. He was quite prepared, if we thought it advisable, to give us access to this man and to brief him.

He would even hand him over lock, stock and barrel. On the whole, however, he thought it would be better for us to run him through S.B., as he might ultimately revert to his former position, in which case he would be of considerable value to S.B. I said I would consider the matter and let him know.

He then gave me the name of his principal agent. He said that only three people in S.B. knew this man's name, and that in view of the mind of prejudice that existed in the Branch, he would not be telling Tommy Thompson that he had passed the name to me. If we got any reactions here, he would like me to pass them to him personally. I told him that I should have to take Graham Mitchell into my confidence, as there might be material in that section which I should normally not see myself. He seemed quite happy about this. He is quite emphatic that it is highly desirable for us to work on these lines and he quite understands (this came from him without any prompting from myself) that there are certain sources of information here which we could not disclose to S.B.

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The I.D.C. are holding a kind of Brains Trust on the "cold" war on Thursday next, and want a representative of this department to be present to answer questions about C.P. activities here. I gather that Gladwyn Jebb and Warner will attend the meeting on behalf of the Foreign Office. Baker of the Home Office was asked to attend, but could not do so owing to a previous engagement. I told Winter, who rang up from the I.D.C., that I thought Frank Newsam ought to be there, but he did not seem to think it worth while reopening the matter. I explained to him that if any "cold" war measures were contemplated in the U.K., they would primarily concern the Home Office.

I had a long talk with Dick, Martin, Marriott and M.E. about yesterday's meeting with S.I.S. Marriott and M.E. seemed rather disappointed that we had not challenged the S.I.S. charter more vigourously. I said that unless they were proposing that the non-validity of the S.I.S. charter ruled them out of court completely there seemed no particular point in challenging the charter more vigourously at the outset. What we were really trying to discover was the real reason and justification for certain functions We had all agreed that they had certain interests in work which we were doing. When we had established clearly the points on which we agreed, and those on which we did not agree, we should obviously have to come back to the charters, which would need amendment. It would be quite useless for us to go to the Prime Minister at this stage. He would see that there was a conflict of views, which he would not understand, and the whole question would inevitably be thrown over again to the inexpert Working Party. The only people who could understand these matters were S.I.S. and ourselves. We must, therefore, sift them to the bottom and establish clearly for any arbitrator what/points of agreement are and the pros and cons of any disagreement. Without this we should never get any settlement.

5th March.

I saw to-day the Minutes of the Inter-Departmental Liaison Meeting called by M.I.2, War Office, on 19.1.49 regarding the Far East.

Lloyd of the Foreign Office stated that the situation in Burma was becoming increasingly obscure now that the Karens appear to have consolidated their position both in Central and North Burma, as well as in the South. According to Lloyd the Burmese are only in complete control of the immediate area surrounding Rangoon at the present time. In such conditions it is difficult to see how the Burmese Government can hope to carry out their proposed elections in March.

According to Scarlett, Foreign Office, the shooting war in China appears to be virtually over for the time being and a political game of poker is now in progress. In this game the Co Communists hold all the trump cards and are just biding their time while the K.M.T. Governmental machine disintegrates.

Largely on the basis of the C.C.P. documents captured in the Special Branch, Hong Kong's raid on LIN KUN's house in December, 1948, the Foreign Office have become increasingly confirmed in their view that the Chinese Communist Party must be considered as completely orthodox, mature and highly organised at the higher levels. In these circumstances the Foreign Office consider that apart from a honeymoon period owing to tactical considerations, we can expect little satisfaction only from any Coalition Government which may be formed in China as the latter must be expected to pursue an entirely ruthless Communist policy.

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8th March.

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Viv came to see me in the afternoon about vetting. S.I.S. receive a certain number of recruits through the Civil Service Commissioners, but the latter in their application forms refuse to ask for sufficient particulars to enable us to carry out a satisfactory vet. It was agreed that we would take this up with Howard.

I went to the Special Branch Athletic Club annual dinner. and found all members past and present extremely agreeable.

9th March.

We have got rather an interesting Polish case which we are running in conjunction with the Lancashire Police. A Pole called BALUSZ has informed the police that he has received a questionnaire bearing on military subjects from another Pole in Manchester called KACZMAREK. We are going to arrange for further meetings to be covered. KACZMAREK appar ntly visits London periodically. He seems to have other contacts.

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The D.G. attended the Cabinet Committee which was called to discuss the paper on Communists in Industry. The Cabinet felt that there ought to be some form of tribunal on the lines of the three advisers and at Bridges' suggestion Sir Harold Parker was asked to Chair a working party which would set out the arguments and any other difficulties which such an arrangement might entail.

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10th March.

Burt came to see me about [redacted] has offered information about a man called O'KEEFE, said to be coming here from Canada to visit MOSLEY. There was some suggestion about his getting MOSLEY's funds out of the country. Burt was suspicious and wanted to know whether we knew anything about the story. I asked Graham Mitchell, who said that we were aware of O'KEEFE's visit, but we had no idea of the purpose for which he was coming.

Burt, I think, decided to turn down [redacted] and said that he did not pay out money unless he was going to get something for it and in this case he thought that [redacted] was putting up rather a tall story.

I attended a discussion at the I.D.C. on the "cold" war. Jebb, Denning, Ralph Murray, Kirkpatrick, the Ds. of I and myself were on the platform with Air Marshal Slessor in the Chair.

Various groups in the I.D.C. put forward proposals. Pat Reilly spoke on Greece advocating that some action, either by the Fleet or S.O.E. might be taken to prevent Albania being used as a base for the rebels.

Another officer spoke on Malaya, urging that Commandos accustomed to jungle fighting should be formed into a special Corps to reinforce the military and police.

The third speaker dealt with the situation at home and expressed anxiety about the legality of the Communist Party and its potision in the Trade Unions.

The fourth speaker made proposals about a Minister Without Portfolio to control the "cold" war assisted by an inter-departmental committee.

After the students had made their comments, those on the platform were asked to speak in reply and at the end Gladwyn Jebb summed up by stating what the Government had been trying to do since Potsdam.

I was asked to say something about the legality of the Party and the Trade Unions. I said that as long as the Party did not constitute an immediate threat to internal security, we preferred to see it remain legal. It was easier to deal with in that way and in fact it had in the past acted as quite a useful safety valve. The Party had in fact recently shown a decline in membership (we know this from secret sources, that the re-registration for 1949 shows a membership of between 35 and 36,000 while the census of last year showed a membership of 43,000). This seemed the more remarkable since the only people at the moment who were telling the workers to do less work for more money were the Communist Party. The Trade Unions being identified with the Government and the "boss class". As regards the control of Unions, about which one speaker had expressed considerable anxiety, I said that this was quite a serious matter but really one which could be handled better by the Trade Unions themselves than by anyone else. At the moment the electrical Trades Unions and the Association of Scientific Workers were wholly under Communist control, and there were strong Communist elements in the Miners' Union, the A.E.U. and the Transport and General Workers Unions. There were, however, no grounds for thinking that those in office within the Unions were particularly representative. I quoted an instance where the boilermakers, who numbered some 80,000, had revoked a previous resolution prohibiting Communists from becoming office bearers in the Union. Out of 80,000 members only 4,000 had voted and the Communists had obtained a majority of about 300. Had even half of the members of the Union voted the resolution would never have been revoked. The fact was that they were, generally speaking, disinterested. It was up to the T.Us to correct this attitude. Meanwhile there was a certain element of risk in the event of a crisis. We were, however, fairly confident of being in a position to deal with it.

In summing up Jebb said that he thought the existing machinery for the prosecution of "cold" war was adequate and that it must be closely co-ordinated with foreign policy and therefore remain under the Foreign Office. The Foreign Office were always thinking of ways and means of improving our position, but were nevertheless glad to have been present at the discussion and to listen to the various ideas put forward. He would welcome any further discussions of the kind.

11th March.

I read a long report by Magan on Cyprus. He strongly supports the D.S.O. in his view about the long-term risks of the

of the situation. He says that we shall have trouble in the island as sure as God made little apples! He puts down the present lull in the situation to the resignation of the Governor, for which AKEL are claiming the credit, but he does not think that this lull can last very long.

Personally I am more inclined to think that the lull may be due to the fact that several of the AKEL leaders have since the report was written found their way into gaol for contravention of local Orders. They may, therefore, think it unwise to continue acts of sabotage until the local elections have been held. The D.S.I. is rendering a further report.

Hill and I went over to a meeting at the Ministry of Supply with Sir Harold Parker in the Chair. Winnifrith told me at the outset that the three advisers had flatly refused to handle Communists in industry. This meant that if there was to be a tribunal at all it would have to be composed of different people. I said that if such a tribunal were set up there would be strong pressure from the T.U.C. to support it and possibly also for legal representation. This would be extremely difficult to resist, even if we got one satisfactory Trade Unionist, he would before long need to be replaced and a precedent would have been created. It would be impossible for us to go on turning down people put up by the T.U.C. We could not possibly table our information and sources to such a body without the gravest risk to security. This would affect not only our information on these particular cases, but our information generally. If we were unable to table our sources it would be impossible for the tribunal to come to a satisfactory conclusion.

Sir Harold Parker seemed to think that this was a valid objection.

We then discussed the legal position. It was clear that whatever the tribunal advised they could be overridden by the employer. Hankey, the Treasury Solicitor, felt that some employers would not like to pass on the information for fear that they might be involved in an action for slander. This could, however, be done by handing them a letter and asking them to deliver it to the particular employee. Alternatively, the Government could warn him themselves. It was agreed that the Secretary would put up a draft which would be submitted to us for consideration.

I have read a paper written by Michael Serpell on the Caribbean, from which it is recommended by the D.G. that we put

an officer in Jamaica and Trinidad. It is admitted that the problems are largely indigenous, but it is felt that our presence in the islands would go quite a long way to stimulate police activity which is sorely lacking. The state of the police forces in some of the islands is lamentable.

Serpell saw in Washington and C.I.A. have more or less agreed to collaborate with us whole-heartedly. The D.G. made a statement on our proposals to the J.I.C. and I raised the matter in our discussions with S.I.S. last Wednesday. Easton expressed no interest in the area and appeared to regard our presence there as something of a "swan". I explained to him that although we did not expect to get much of a dividend, we were being increasingly pressed by the ~~xxxxx~~ Colonial Office to establish stations in the colonies. The real fact is that the Colonial Office have been so frequently let down by their Governors that they regard our presence in the colonies as something of an insurance.

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14th March.

At the D.G's meeting to-day we discussed S.I.M.E's responsibiltiies in time of war. They will, of course, become militarised to quite a large extent. I said, however, that I thought it was important that they should not drift back entirely to military control. The experience of the last war showed that there was an immense amount that this

department could do for S.I.M.E. which no other department had the requisite knowledge to carry out. S.I.M.E. suffered considerably in the early stages of the war through having to deal through military channels and through having no-one in the War Office here who really understood the nature of their problems.

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Ronnie Howe came to see me about a friend of his who has been doing a certain amount of night club work with the Yard. This was was formerly employed by the Indian Police. His services have been satisfactory in every way but he is now at a loose end. I said that we would consider him. I subsequently asked Vickery to make enquiries about him and if possible to give him an interview.

Jagger of the Establishment Branch of the Ministry of Supply telephoned to say that he had passed on our information about BLACKETT to Rowlands with a recommendation that Rowlands should see Sir Harold Parker, who is by way of having the whole matter under consideration.

15th March.

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

Dick White and Ronnie Reed told me that there has been an interesting development in the case of Dorothy WOODMAN. She was rung up the other day by a woman called Mrs. STEVENS, subsequently identified as Rita STEVENS, an American, who delivered greetings from a man and his wife in the U.S. whom records show to have been indirectly tied up in the Russian espionage case known as "Rote Drei". This does not, of course, necessaryily indicate that

Dorothy WOODMAN is still active. It is, however, for consideration whether the checks on Dorothy WOODMAN should be allowed to run for a bit longer before we interview her.

The D.G., whom I have consulted, is agreeable to this if we think it advisable. If not, he would like me to discuss the ca case with Ronnie Howe and suggests that a police officer might accompany Skardon.

I showed the D.G. a letter that I was sending to Gardiner about the investigation of leakages. There had been a complaint from Sir Henry Tizard that no progress had been made with the petroleum leakage case which occurred at the end of 1948. In my letter to Gardiner I made it clear that the solution of such cases depended to a large extent on our being informed immediately. If this not done we cannot use our journalistic contact, who might within the first twenty-four hours reasonably ring up the paper concerned and say that he wanted to follow up the story and would be glad of any leads. This might have the effect of narrowing the field of enquiry to some particular Ministry or firm. In the case of the petroleum leakage we only heard about it a week after the event.

This whole matter raises the question of our responsibili with regard to leakage cases. We are committed to investigate Cabinet leakages, but as regards those from departments we must rely to some extent on enquiries within the Ministry about the distribution of the documents and subsequent interrogations by either the Establishment or Security Officer. When we know the distribution we can vet the names of those who have received copies of the document. If the results of our vet pin-point any particular individual it may be desirable for us to be present at the interrogation. Otherwise the Ministry should conduct the interrogations, calling us in if any suspicious circumstances come to light.

The D.G. was in agreement with this line.

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I saw David Boyle, who is sending me a note about I then undertook to go and discuss the case with Birchall. He thought it might be a good thing if Birchall saw on arrival and impressed upon him the desirability of keeping his mouth shut about the work he had been doing in the Middle East.

Bill Magan has written a long report on security in the Canal Zone, which seems to be lamentable. Out of 64,000

Americans, Greeks, Maltese, Cypriots, Italians, Poles, Egyptians Roumanians in British employ 220 see confidential documents and 38 see secret documents. In two cases a Greek and an Egyptian have seen top secret documents. The matter has been brought forcibly to notice by the fact that [redacted] the Egyptian Security Officer on the Canal, has told our local representative that he knows of the existence of Plan SANDOWN BIGOT and that we might be wise to enlist Egyptian support for any such plan.

Magan has further evidence of leakages from Service circles which he is also bringing to notice. A special enquiry is on foot to tighten up security.

16th March.

I attended the J.I.C. We discussed a paper on the possible scale of attack by Russia on British Colonies. It was expressly stated that no account had been taken of the internal security position. I said that such a paper seemed to me to be somewhat unelastic, since the possibility of overt aggression against any of these colonies in time of war seemed somewhat remote, at any rate at the outset, but that internal security would be a matter which would have to be dealt with and might form the bulk of any military commitment. This was generally agreed and supported in particular by the Colonial Office.

It was decided to send a copy of the document to Governors and to J.I.Cs Far East and Middle East with a request that they would give some assessment of the internal security position in their areas.

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The P.M. came to a cocktail party with Bridges and Helsby, where he met senior officers. He was in extremely good form, firing questions at everybody and telling stories.

I dined with and met who had just arrived with The two latter are engaged in Communist activities throughout the French Empire and Communist activities in France respectively. They were all extremely cordial and are to have talks with sections to-morrow.

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17th March.

Skardon tells me that KACZMAREK has sent a telegram to BALOUSCZ stating that it is inadvisable for him to meet again and that he will be writing. This seems to indicate that KACZMAREK may have spotted that he has been under observation in Manchester by B.6. He is, nevertheless, coming to London where we hope to pick him up.

+I gave lunch He has no cases in hand which are actually being operated by the Russians. He has, however, some evidence to show that M.G.B. activities for Western Europe are directed by a particular individual in the Soviet Embassy in Paris.

Dick attended the Junior SIGINT Board. It appears that there is a certain amount of trouble over the volunteer interceptors. The present proposal is to liquidate them and then re-establish the organisation by re-recruiting the good and leaving out the bad.

In private conversation with Eddie Hastings it emerged that both 'C' and Hayter are always sniping at M.I.5. There is a tendency to say that we are trying to extend our tentacles too far, to indoctrinate too many people, and to make demands to SIGINT on the basis of the need to know, which are considered unnecessary. It seems that is in the habit of writing in to G.C.H.Q., requesting an explanation as to why a particular telegram has been circulated to M.I.5. This attitude is particularly irritating and I am rather inclined to have it out with William Hayter, when he returns, and 'C'.

Boucher rang me up to say that yet another approach had been made, this time to the General commanding the Territorial Airborne Division, to attend a cocktail party given by the Soviet Military Attache. He was accepting and would be told to report in detail.

I looked in at the dinner given to at the Hyde Park Hotel. An interesting conversation developed over the powers under French law for journalists who disclose xxxxxxxxxxxxxxxxxxxxxxx Cabinet information. The law exists and the only need is to establish it in practice. This may be possible in the case of [illegible] FRIEDLAND, a French Communist, who has been arrested, leaving the Communist Party in possession of a carbon copy of a document

which an expert will say concerns national defence. This raised the question of the disclosure of Western Union information and to feeling that some declaration should be made by the Brussels Treaty Powers to the effect that their deliberations are, collectively speaking, matters of national defence, and that the disclosure about the affairs of one country will be regarded as a disclosure of all those countries who are a party to the Treaty.

18th March.

Admiral Inglis has at last replied to our letter. He is arranging to put Thistle into touch with someone who is indoctrinated in the F.B.I. This will enable us to discuss freely the case of MILNER, and I hope also details of the Washington case, but for the latter we shall have to rely upon Travis.

Emery came to see me. He is going back to Cairo to take over from Geoffrey Jenkins who is retiring.

Dick, F.J., Graham, Hill and I had a discussion on the draft report of the Working Party set up to consider the desirability of having a tribunal to deal with Communists in industry. We felt that sufficient emphasis had not been placed on the Security Service objection to disclosing sources of information to a tribunal which is almost certain to be composed of Trade Unionists. There would at least be strong pressure for the Trade Unions to be represented on any such tribunal.

21st March.

At the D.G's meeting to-day it was decided to send Walter Bell to East Africa owing to the difficulties about accommodation in West Africa. Someone else, therefore, will have to be found to support Stephens. Patterson is to replace Thistle in Washington.

I had a further meeting with Dick, Graham, F.J. and Hill on Communists in industry. We are now submitting a revised draft of the Working Party's report.

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22nd March.

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26th March.

Colonel Munn came to see me about BRITANNIA and lent me a copy of what it was now proposed that the D.M.I. should say on behalf of S.O. Sinclair has, I understand, declined to appear on security grounds. This has not created the best impression.

28th March.

I went to see Birchall about [redacted] who had been employed by David Boyle in the Middle East. The purpose of my visit was to get Birchall to let him down as lightly as possible since, if he became disgruntled. he had a good deal of dangerous knowledge on the [redacted] Birchall said that he would do his best, but that his case was similar to a great many others. He had had many Lieutenant Colonels returned to the Post Office and they had not unnaturally felt the drop rather acutely. He would, however, speak to Radley at Dollis Hill where [redacted] is now to be employed. Birchall told me that he would be retiring in a few months' time and he got in his successor, Barnett, who seemed an entirely satisfactory person.

I saw Newsam about the case of Dorothy WOODMAN. He appreciated its delicacy and said he would like to have a note on the case which he could show to the Home Secretary. It was the Kingsley Martin connection which really worried him as, indeed, it has worried us.

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I then discussed with him the forthcoming meeting of the Cabinet Committee on Communists in industry. I told him of our objections to another advisory body being set up. We preferred that these cases should not be dealt with under that system at all but that, if this were inescapable, the information should not go outside the three Advisers who were dealing with the Civil Service cases. Newsam saw all the implications and at my dictation wrote a note briefing the Home Secretary.

29th March.

Burt telephoned to me to say that [redacted] was again visiting the U.S. He had not yet seen the Party, but intended to do so and would want to tell them something. Could we help? I said that I thought it was necessary for the informant himself to put something down on paper which he could say of his own knowledge. We would vet this and, if necessary, amplify it.

At the D.G's meeting today, F.J. disclosed that the patent rights for a new and epoch-making type of aircraft had been given in 1945 both to the Americans and to the Russians. This, after the approval of the Ministry of

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Supply had been given, apparently on the advice of Sir Ben Lockspeiser. This type was now regarded as the aircraft of the future. We were now somewhat pathetically to try and safeguard the development of this aircraft in the U.K.

Dick and Martin discussed with me the report on our deliberations with S.I.S. Jack Easton has written the report expressing S.I.S's views of the conversations and this has somewhat tied hands. We were therefore making a re-draft. On the question of representation abroad, S.I.S. have put forward about 8 arguments which they advanced against the project, but there is no indication that we torpedoed all these arguments. In fact, the impression is given that we thought they were sound. Our idea is to cut the report down considerably and to talk as little as possible about the arguments which led to our conclusions. These can be referred to if necessary.

Dick, Graham and I had a meeting with D.G. in order to brief him for the Cabinet Committee tomorrow on Communists in industry. D.G. will oppose any Tribunal but, if pressed very hard, will fall back on the existing Tribunal as his GHQ line.

30th March.

Hinchley Cooke came to talk to me about his private army. He has apparently recruited a large number of Captains and O.Rs, 23 majors and 3 lieutenant colonels. I am bound to say that this rather shocked me. He said that Harry Allen had given him carte blanche to go ahead and he only wanted to know about the 3 or 4 senior officers. I explained to him that we were getting out our War Book and considering expansion and personnel to fill the vacancies in time of war. I thought, therefore, that we ought to know something about the kind of people he was taking on. The Appointments Board might want to interview them. This obviously did not go very well, but we agreed quite amicably that the question should be brought to the notice of the D.G. at the next Directors' meeting.

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I had a further meeting with Dick and Martin about the S.I.S. recommendations. It was agreed that we should not be likely to get very far at today's proposed meeting and that it would be better for Dick and Easton to have a discussion and clarify the position. Dick went over and was met by Easton and The latter strongly pressed Dick to reconsider the question of a joint organisation in one building or the other or in some joint office to be selected. Dick said, and rightly, that he did not feel he was able to go back on the previous decision. point of view seemed to be that if we did not make this concession, we should be unlikely to get what we wanted in regard to representation overseas. This seemed to me a most improper suggestion. We were not a set of Orientals bargaining over a carpet, but had met together in order to find the best solution to our difficulties and the most efficient method by which C.I. could be run. Apart from this, I thought that if, as appears, we are all agreed that a joint building is in a large measure the solution of our difficulties, we should to some extent be giving a point away to the authorities if we compromised by setting up a joint section in one or other department or elsewhere. They would merely let us stew in that juice indefinitely.

In the afternoon I saw Gilbert Laithwaite and Garner. I told them both about the case of Francis STUART who was applying from the French Zone for facilities to visit Eire to attend the wedding of his son. The danger was that if he landed here he would be an obvious embarrassment since in many ways he was a worse traitor than JOYCE. Not only had he broadcast against us, but he had aided and abetted the G.I.S. Added to this the Eireann Government had strongly protested against his return to Eire as they thought he would be used to hot up the I.R.A. over the anti-partition issue. In actual fact we do not rate him very high and believe that if he were to take over the I.R.A. he would be almost certain to make a mess of it. Laithwaite was not averse to his being allowed to return to Eire but thought it important that he should not come via this country. So far we have had no reply from the Control Commission as to the possibilities of STUART going to Ireland without touching the U.K.

I told Laithwaite about our connections in Eire. He was particularly anxious that we should keep them up even though we had few common interests at the moment. Laithwaite, who is a Catholic educated at the Jesuit School in Dublin, seemed quite alive to the anti-British attitude fostered in the past by the Church, and it seemed to me that he intended to speak to the Archbishop of Dublin in fairly frank terms.

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D.G. attended the Cabinet Committee on Communists in industry and put up a strong defence of our position, stressing both the legal complications which might ensue and which had been outlined by the Solicitor General, and also the dangers of disclosing Security Service methods to any outside body. He had previously seen Alexander who was in the chair. The scales were finally turned by Chuter Ede who felt it would be impossible for the Government to get away with it in the House of Commons unless there was some form of appeal. He was emphatic, and so indeed were the whole Committee, that the existing tribunal dealing with civil servants should handle the industrial cases. D.G. made it clear that if we had our way these would not amount to more than about 30 at the present time. The matter now has to be referred to the Cabinet as a whole. We have yet to see whether the three Advisers will accept the commitment under pressure.

Furnival Jones and Johnstone came to discuss the case of Phillips of Eindhoven.

is arriving here on Monday and he is rather on the warpath and anxious to see some representative of M.I.5. It is difficult to assess his precise motive in pressing this case. I am a little inclined to think he may have a financial interest in Phillips whose name he is so anxious to clear, not only in the eyes of the Americans, but also the Brussels Treaty Powers. I have spoken to 'C' about this. I said I thought that no very useful purpose could be served by our seeing as there was really very little that we could say to him. I suggested that when he visited S.I.S. they should endeavour to calm him down, explain to him, as he probably knows already, that our war equipment is very much mixed up with that of the Americans and that in placing contracts for equipment in which we have a joint interest, we have to walk in step. S.I.S. could then say that we were doing the best for Phillips that we could and that any intervention by the Dutch at

this stage might only have the effect of prejudicing our discussions. In actual fact reports about Phillips' contacts behind the Iron Curtain are not too reassuring. In our negotiations with the Americans, however, we are relying on the ringed fence which we have endeavoured to set up round Mullards.

31st March.

I have arranged with Trafford Smith for Magan to discuss Cyprus with representatives of the Colonial Office.

Archer of C.R.O. telephoned to say that he was going on leave and subsequently retiring. His work is to be done for the moment by Garner.

Hordern, C.C.Lancashire, came to see me. He had been a bit worried by the BALOUSCZ case. He felt that the Manchester Police had been rather ham-handed and possibly also ourselves in covering the meeting with KACZMAREK in Manchester. This had caused BALOUSCZ some anxiety. I got Dick and John Marriott in. They were not inclined to think that the case was quite so bad as BALOUSCZ thought. Nevertheless we all agreed that it might well have been handled better. C.C.Lancashire could not have been nicer about it. He said that his one desire was to do whatever we thought was necessary and we told him about the proposal to liquidate the case in spite of the fact that we had no definite lead so far into the Polish Embassy. One of our main reasons was because so many police forces were now involved that we felt there was a danger of a leakage and that we might get more by arrests and searches. If we waited too long and something went wrong, the documents might all be destroyed. He saw our point.

Cumming came to tell me that another of his War Office defectors was proving as difficult to handle as the previous one. He refused to accept quite a good job and is now living at the expense of the ratepayers. There is a possibility that we may deport him to Germany. This only goes to show how impossible the Soviet product is.

The moment they free themselves from the regime, they become rank-conscious and lazy.

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late of Special Branch, who has been working in B.4.d., is leaving us.

I saw Newsam today He seemed fairly happy about the result of the Cabinet Committee on Communists in industry provided the three Advisers accepted the commitment.

Tim Airy came to say goodbye. He is going back to the Army and will retire in July to manage his farm. He was not anxious to go back to school in this department which was really his only chance of making any headway.

Edelstone, naval representative on the Chiefs of Staff Committee, has expressed anxiety about sabotage in this country. Presumably he has had some report about various cases of sabotage which have been occurring on H.M. ships. There is a tendency to think that these are Russian-inspired, and a slight difference of opinion exists in this office as between C.2(Sab) and B.1.a. Frankly I do not believe that the Communist Party, still less the Russians, are deliberately embarking on a policy of sabotage on H.M. ships. The Party here is much too up against it in the Trade Unions and elsewhere to run the risk of being tied up with sabotage. There is, however, just the possibility that some local organiser in Plymouth or Portsmouth is getting hold of some disgruntled elements without the knowledge of his Headquarters, but on this we have no evidence. To clear the matter up one way or another, Oughton is going to visit the Plymouth and Portsmouth police and thereafter we may impose some H.O.Ws so as to get a better picture of local Party activity.

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1st April;

Dick, Horrocks and Martin had a further discussion with me about the S.I.S. recommendations for co-ordinating Security Service and S.I.S. activities. We felt that the joint paper could be considerably curtailed and that may of the arguments which S.I.S. were anxious to include would only confuse the issue. They would of course be available to anyone who wanted to read them. S.I.S. seemed to take the line that if they do not include these arguments, they may have difficulty in getting past their own chief.

Hayter gave a short talk at the J.I.C. on his visit to the Middle East and Far East. He began by drawing a comparison between JIC(ME) and JIC(FE). In the Middle East he thought it well on top of its task and there was no doubt that it had the full confidence of the Chiefs of Staff. In the Far East, in spite of the fact that it was geographically better placed - i.e. those concerned were all situated in Singapore - it was not so well staffed and it clearly had not got the confidence of the C.O.S. He thought this was mainly due to a vague idea that it should have been in a position to give advance information on the troubles in Malaya. Considerable improvements, however, had now been made. A new and more efficient secretary was being appointed and the Foreign Office had at last found a full-time member for the J.I.S. There was still no full-time member from the R.A.F.

On the question of the Chairman, the J.I.C. itself and Hayter were opposed to the suggestion of an independent Chairman. They argued that it would be far more profitable to the J.I.C. to have the benefit of the knowledge of the Commissioner General's Deputy who was naturally au fait with everything that was going on in the area. An independent Chairman would be bound to be more isolated. It became clear, however, that confidence would not be re-established in the J.I.C. unless the Cs.in.C. were allowed to have their way. The matter will therefore be put up to the C.O.S. by the J.I.C. saying that although they consider the proposal unsound, they think it better to give the local authorities what they want and see how it works. Lloyd is the main promoter of the idea and he is supported by Ritchie andnthe Commissioner General. The Foreign Office will supply the new Chairman who may be Michael Cresswell. If so, the choice is, I think, a good one as he has already had considerable J.I.C.

experience. It appears that the Commissioner General is anxious to regard this new Chairman as his political adviser. Both the Foreign Office and the Colonial Office intend to oppose this. They maintain that Scrivener must remain the Commissioner General's adviser on foreign territories and Hone on colonial territories.

As regards JIC(ME), Hayter did not think that the Chairman was entirely adequate, and I gather that some change may be made. Inconvenient as it was in some ways, he thought the Chairman should remain in Cairo.

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Hayter mentioned a general lack of security in Fayid. I said that we had had a report on this and that at the request of the Services, SIME had been giving security lectures and advice. The matter had rather been brought to a head by the statement made by the Egyptian Security Officer in Ismailia, to our D.S.O. in which he made reference to Sandown and Bigott. This rather shocked the Committee who thought there might be advantage in putting up some kind of a report to the C.O.S. about the inevitable employment of aliens which would emphasise the necessity of the demands of Cs. in C. Middle East, for British personnel as replacements. I said that the Head of SIME was in this country and could assist in the drafting of any such report. It is, I think, important that we should not appear as having sneaked on the Cs-in-C. There is, however, reasonable cover as the matter had come to Hayter's notice quite independently.

I told the J.I.C. that an Australian Security Service had now been set up with our assistance and that the Director General had been appointed in the person of Reed. Generally speaking, this was encouraging. I also mentioned that in connection with Shedden's visit, we intended to get the P.M. to write to Mr.Truman drawing his attention to the fact that this new machinery had now been set up and was beginning to operate and expressing the hope that it would go some way towards allaying American apprehensions and to a resumption in the flow of information on defence policy and research. Kenneth Strong, who had seen Hollis in Australia, expressed the view that it was important to get it into the minds of the Americans that serious steps were being taken in Australia to improve the situation, although of course we all realised that the mere setting up of a Security Service did not in itself imply that security was adequate; this would only be the case after a considerable lapse of time.

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came to see me. I discussed with him his job in Beirut. He said that

but that he was more than ever convinced of the necessity for an M.I.5 station, not only there but also in Damascus. He thought there were types of information which we could get

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4th April.

Perfect has returned. He is worried about a case affecting an Atomic Energy contract where the police were asked for their views about the firm and specially instructed not to make a direct approach. They wrote us the usual report saying they had "discreetly ascertained" etc. but our contact had subsequently disclosed that they had visited the wrong man in the firm and told him about the work being done for Atomic Energy. In point of fact this individual had no knowledge that the firm had such a contract. I told Perfect that he must accept it that

the Police would never say that they could not find something out and that whatever instructions we gave them, they would visit the firm unless they had the relevant information on their files. The only remedy was not to tell them about the nature of the contract.

I had a discussion with D.F., D.B., DE/A and Magan on the enquiry about

They would therefore regret his departure. It seems that if he is to be replaced, S.I.S. still want to hold on to the cover of Passport Control. It was decided that Magan should visit Greece on his return and enquire into the whole case.

I saw D.M.I. about his lecture for BRITANNIA, which he has considerably revised. I gave him one or two additional points about the important Port and Travel Control group and also the necessity for our being informed immediately if anybody thinks he has detected a spy or saboteur.

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I saw Helsby and took him a draft letter to Truman embodying the information received from Hollis about the progress of Australian security. The idea of this is to put Shedden on as good a wicket as possible when he visits the U.S. this month. The letter was accepted after I had cleared it with the Foreign Office.

5th April.

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I lunched with Ralph Murray and Runacres of I.R.D. I formed a rather better impression of Ralph Murray who seemed very keen about his job and anxious to co-operate with us. I asked him what his charter was. He said that his instructions were to push the "cold" war by any means available, which included individuals, press and films. He has not made much progress so far as regards the latter, but intended to do so. I sold him the idea of animal farm. He has not so far found a representative for I.R.D. in the Far East. He has someone in Cairo in B.M.E.O. I urged on him the necessity for tying up locally and here in London and suggested he should come here and meet certain people who would be concerned with his line of business. He seemed anxious to do this. We discussed the Peace Conference in Paris and I left him certain data. His idea is to dissuade the liberal-minded from going to the Conference in order that it may come out in its true Communist colours, and possibly to inject one or two individuals who could throw a spanner in the works by asking awkward questions.

Vickery tells me that the Inspector of Police of Ceylon will be visiting this country shortly. We agreed that he should meet various people in this office.

6th April.

The J.I.C. want to put in a report on the lack of security in Fayid to the Chiefs of Staff in order to reinforce a demand from the Middle East for British personnel. We are rather worried about this, since we do not wish it to be thought that S.I.M.E. have "sneaked" on the Commanders-in-Chief. We are suggesting that the War Office should telegraph back, stating that they must have some account of the security position in order to get the backing of the Chiefs of Staff. This, I think, should get us out of the difficulty.

Owing to a mistake by the finance and cipher departments, a telegram intended for Courtenay Young has been sent to Longfield-Lloyd, stating that owing to the large balance held by Courtenay there will be no further remission of funds for the quarter April-June. Longfield-Lloyd has cabled back saying he does not understand.

This is most unfortunate, since it may be interpreted as meaning that Courtenay is running a secret service of his own in Australia. We have cabled Longfield-Lloyd, saying the telegram was addressed to him in error, and informed Courtenay that he can use his discretion in talking to Longfield-Lloyd!

Dick Butler tells us that Vansittart is contemplating an action for libel against the Daily Worker, which contained an article by Zilliacus.

There is no doubt that the article is slanderous, but Charles Russell & Co. are inclined to advise that it should be ignored. On the whole I think they are right. The D.W. might, however, be induced to publish an apology and to fork out some damages without taking the matter to Court.

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7th April.

Strong came to talk to me about a demand for vetting of the Ordnance Survey personnel. They did not want to declare their whole department secret, but had some 2,000 people. We are told that these people are employed in making maps, not of this country but of foreign parts. The secrecy of their work is said to lie in the areas which they are mapping. The Services seem to attach importance to this.

I said that I could not really see the force of the argument. Maps of this country are safeguarded by the omission

of Vulnerable Points, and it would be natural for any foreign power to think that we were keeping our maps generally up to date. It would be nothing new to the Russians to hear that we were taking a lively interest in the Eastern Mediterranean or in any areas bordering the Iron Curtain or behind it. I have suggested that before we undertake the commitment the matter should be raised at the J.I.C., in order to find out precisely what the Services are getting at.

Potter brought me a report on our Registry by of S.I.S. Registry. He said that it was very much the work of an amateur and so childish that it was really a waste of time to answer it. It more or less whitewashes S.I.S. methods, which Potter says are lamentable.

There is only one point which interested me, namely, that S.I.S. seem to think that it would be better if the girls in the Look-Up section were allotted certain letters. This is of course nonsense. If, however, he had said certain girls should specialise in Polish, Czecho-Slovakians, or German names and cases, there might have been some sense in it.

Hollis has returned from Australia. The new organisation is, albeit somewhat shakily, on its feet, although there is a considerable amount of personnel to be recruited. The H.Q. is to be in Sydney. There is to be a Director in Melbourne with a seat on the J.I.C., and another Director in Canberra. Reed, the Head of the organisation, although administratively under Evatt, is to have access to the Prime Minister. The work done by Hemblys-Scales has been highly praised by Chifley in two personal letters to the D.G., and there is no doubt that Courtenay is going down extremely well and will play an active part in getting the organisation going.

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8th April.

Hutson telephoned about SCHLIOMIVITCH, Chairman of the Zionist Revisionist organisation, who is up for naturalisation. He wanted to know whether we had modified our views in any way about Revisionists. I said that it was amply proven that they had supported the Irgun, and that if by any chance we were called to implement our Treaty with Transjordan, I would not like to say what the Irgun might do. In such an eventuality it is quite certtain that SCHLIOMIVITCH would not be on our side. It seemed to me, therefore, that the matter should at least be postponed until the Palestine situation clarified itself.

I discussed with M.E. the S.I.S. criticisms of our Registry. He agreed that they were largely childish and that of the two ours was incomparably the better. At the same time he felt, as I do, that both Registries are rather in a groove and are apt to consider the system rather than the interests of the users. Since the purpose of these recriprocal visits was to pave the way towards some form of integration, I asked M.E. for his views on the desirability of setting up a separate set of Communist and R.I.S. records for the use of the joint section if and when we got into a common building. Personally I was rather doubtful about creating another set of files. It seemed to me that the joing section could work much more effectively on the basis of S.I.S. files and our files, to which they should have access in the common room. A new set of files would only contain extracts divorced from their text and any serious research worker would be bound to wish to see the original documents.

M.E. was in agreement.

I then went and had a look at his index. He has broken down the Russian Intelligence Service into a number of sub-headings. which are in the form of cards on which entries are made with a reference to the file. Each officer in the section makes his own notes on his own cards. When a subject seems to be looming rather large, they have a conference and do a write-up. In many cases where matters are referred to them they have sufficient knowledge to give the answer out of their heads, or by reference to cards. I should have thought that some comparable system was all that would be required by the joint research section.

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I have arranged for Haldane-Porter to go over and see Harding-Newman about drafting a wire to J.I.C., M.E., asking them to provide further information about the security situation in Fayid so as to enable J.I.C. London to support the application for White personnel to replace aliens in the camp who have become involved in the handling of secret documents.

Mitchell tells me that Bennett has visited his contact at Birmingham University. He has discovered that Lancelot HOGBEN is nearly always drunk, at loggerheads with most of his colleagues, and desperately jealous of Professor ZUCKERMANN.

This enquiry had been made as a result of a conversation between someone calling himself "Lancelot" and ZUCKERMANN. It was clear that "Lancelot" was very drunk and not responsible for what he said. Amongst other things he had mentioned that he was born under Sagittarius. Miss Weldsmith guessed that he might be Lancelot HOGBEN and subsequently found that he was a Professor at Birmingham University and that he was born under Sagittarius.

Bennett has asked his contact to supply us with a sample of HOGBEN's typewriting, which we shall be able to compare with the original document sent to King Street. This document, which was clearly torn from the back of a Soviet publication, was a membership form filled in in type for ZUCKERMANN. We believe it was a malicious act on the part of HOGBEN to get ZUCKERMANN into trouble.

I lunched with the D.G. and Page. The latter is over here from Jamaica in order to attend the Geneva Convention.

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talked to me about the case of the Communist who is being given a job in the Welding Association. He was challenged by his employer and replied that his membership had lapsed. He also produced a letter to the London District Party Committee, indicating that he no longer wished to be associated with them. He did not, of course, mention the fact that he had allowed his premises to be used at the request of STADLER, a Czech Attache, by a Czech agent who wished for a quiet spot in which to write his reports. He has in fact now got STADLER to make other arrangements, since the approach to him by his employer must have been an indication that if the authorities knew of the Czech association they would view it with disfavour. There is no evidence to show that knew what was in the reports; on the other hand, we must at least have had a very strong suspicion of what was going on, since his natural question to STADLER should have been: "Why doesn't the individual write his reports at the Czech Legation?". Moreover, the fact that the association has now been discontinued, presumably at request, confirms that must have thought it a dubious one.

Lastly, D.N.I. has told all departments that they are not to place research contracts with the British Welding Association. Graham feels that if this is allowed to stand, the British Welding Association are bound to dismiss he has, therefore, drafted a letter to Ransome in which it is suggested that D.N.I. might confine his remarks to secret contracts only. Personally I am not very satisfied; I feel that Graham is being a little too fair-minded.

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12th April.

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At the D.G's meeting to-day, Graham Mitchell said that the Foreign Office did not appear to be very clear about the policy in regard to granting passports to Communists. Sir William Strang has recently turned down two cases - in fact so far in no single instance have they refused a passport, in spite of the fact that quite notorious people have been going to conferences on the Continent. We do not mind very much, as on the whole we think this whole procedure rather foolish.

Graham Mitchell came to tell me that a telephone check had just disclosed that was clearly insincere, and that he had consulted the Party when he found himself in trouble and had presumably written the letter to his employer under Party instructions.

James Robertson has been doing some fairly extensive research on a man called who appears to be in touch with a Russian lawyer in Switzerland known to have had connecti ns with members of the Rote Kapelle or Rote Drei. There is evidently something pretty clandestine going on, although whether it is espionage or Black Market it is difficult to say at the moment.

Hollis came to tell me that MILNER of the Australian espionage case had been appointed by U.N.O. as Political Adviser to Admiral Nimitz, who is to make arrangements for the plebescite in Pakistan. We have suggested to Thistle that he should consult the F.B.I. and see that suitable warning is given to Admiral Nimitz. I.P.I. consider it highly undesirable that MILNER should go to Pakistan.

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13th April.

At the J.I.C. to-day I told Hayter that we were contemplating a round-up of Poles. He said that he rather regretted that were not roping in one of the Attaches. I pointed out that there were various legal difficulties and that the D.P.P. had been against it.

I also told Hayter about Admiral Nimitz. He said that he would be grateful if I would keep him informed, since if Nimitz was inclined to accept MILNER the Foreign Office would probably want to weigh in.

It has been decided to postpone action against the Poles, KACZMAREK and others, since while the C.Cs were down here consulting with the D.P.P. a further meeting had taken place between the informant and KACZMAREK and they would not be meeting again for another week. The action is therefore scheduled for next Wednesday.

I asked Hill why it was that we could not involve KAUDY, the Assistant Military Attache. He said that the meeting with KAUDY would be difficult to cover since he would probably keep the rendezvous in a car. It would then be difficult, if not impossible to know when the documents passed. Apart from this, we had already identified KAUDY; it would, therefore, be impossible for us to search him on the assumption that we did not know his identity. All this would have to come out, as it was part of our case that we had identified KAUDY when he met the informant and KACZMAREK in Liverpool.

19th April.

I had a discussion to-day with Perfect, Oughton and F.J. about keeping Chief Constables informed on the V.Ps in their areas, and soliciting their aid in discovering what Communists are employed in certain factories. There had been some difficulty owing to a letter written to a C.C. enquiring whether

there were any Communists in a factory which had a sub-contract for atomic energy. The Police had been specially askednot to visit the factory; this, of course,they did with the result that they disclosed to someone not indoctrinated the fact that the contract related to atomic energy. This led to a complaint. It seemed to me that the only reason for writing to a C.C. at all was to cause him to search through his records and establish whether any of his Communists were employed in a particular factory. This might lead him to discover that although he had quite a number of Communists listed, he did not in fact know where they were employed and had therefore better do something about it. His deliberations, however, could not be in any way conclusive, since in a place like Brimingham, for example, many of the employees in a factory came from other C.Cs' areas. There was clearly no point in a C.C. going to a factory, since we were already in touch.

An added difficulty is that C.Cs do not always like passing their information to each other. They do not mind passing it to us or to our passing it on, provided we do not state its origin. The upshot is that we can only improve our knowledge about Communists employed in secret factories by stimulating the Police as whole to make more exhaustive enaqmiries and put on top of the work in their area.

It was agreed that we would endeavour to let C.Cs have a list of V.Ps in their area, inspite of the risks that this might entail. If we did not do so, there was quite a possibility that we should be missing something.

Hayter telephoned to me about Admiral Nimitz. I told him that we had had a reply from Thistle, saying that the information had been passed both to the State Department and the Navy Department in the flat terms that MILNER was a Russian espionage agent. It was the intention to inform Admiral Nimitz and Thistle would endeavour to let us know the result.

Potter has to put in a broadside report on the S.I.S. Registry. Its main troubles are that (i) records are never centralised; a number of people seem to have little bits of the story tucked away in their cupboards; (ii) the papers are not put on to the files at the outset; (iii) files do not get back to the Registry for six weeks or two months, meanwhile all incoming papers go into what is known as the "bins". Officers rarely give direction as to carding, and once a file goes out there is no adequate means of tracing its whereabouts. Lastly, there are not nearly enough personal files.

A somewhat awkward situation has arised through a question in the House by a Colonel Lipton as to whether Scotland Yard passed the names of Bernal, Crowther, Louis Golding and Patricia Burke to the Americans as people who should not be granted facilities to go to America to attend the New York Soviet-sponsored Peace Conference. Chuter Ede replied emphatically on two occasions that no such information had been passed and that it was not the custom to pass to foreign Governments information of the kind stated. Strictly speaking this answer is true, since Scotland Yard did not in fact pass anything. At the specific request of we did, however, give certain particulars about these individuals without making any recommendation, as a result of which they were presumably refused visas. This takes us back to Sir John Anderson's ruling of 1926, after a British Communist, Mary Moorhouse, had been expelled from Holland or Belgium as a result of information supplied by us through Passport Control. It was laid down that we were not to instigate or acquiesce in action against a British subject by a foreign power without prior reference to himself. Sir Wyndham Childs, then an Assistant Commissioner at Scotland Yard, took the matter up at the time and received assurance that this did not cut across the accepted practice of passing information through intelligence channels to foreign powers on an exchange basis. Had he not so ruled, the whole basis of our liaison and intelligence work would have gone. The matter was again discussed in 1934, when Sir Russell Scott was Under Secretary of State at the Home Office, when our view of the position was again confirmed. It was understood that the passing of information about Communists on an exchange basis was to continue.

The question now arises whether we should get a further clearance for this policy from the Prime Minister, and whether he would wish us to discuss the matter with the Home Secretary. We did not inform the Home Secretary when the recent question was put down, as we felt that it might have been embarrassing for him. Now that the matter has blown over, it might be desirable for him to know the true position. Should any contrary ruling be made, it would cut right at the root of our liaison with the Americans and with the Brussels Treaty powers, with whom we are having regular meetings every three months in London.

The D.G. has asked for a note to be prepared on this subject in order that he can raise the matter with the P.M.

Dick Thistlethwaite has given us an account of the signing of the Atlantic Pact. He said it was a very restrained affair, the only colour being provided by the Icelandic and Portuguese delegates. The Icelanders said that their tiny country had never fought a war, could have no army and more or less implied that they were most unhappy about the whole affair. They looked as if they had been

given a grilling by the State Department in order to make them talk. The Portuguese were sinister and villainous, and the Foreign Secretary devoted the whole of his speech to a flattering eulogy of President Truman's dynamic personality. Perhaps the best description of the ceremony was given by a member of the Embassy. He felt that the natty-suited State Department officials behaved exactly like ushers at a wedding. If he had been asked whether he was a friend of the bride or of the bridggroom, he would have said of the latter, since it seemed that the father of the bridegroom was obviously Ernie Bevin. The young son of this respectable British family (no doubt the very youthful looking Ambassador), having been divorced from his French wife in 1940, had now decided for sound and solid reasons to marry a rather flashy American heiress: hence the ceremony. It was perhaps unfortunate that, instead of Mendelssohn's "Wedding March", the Marine Band played two tunes from Gershwin's "Porgy and Bess", namely, "It Ain't Necessarily So" and "I Got Plenty of Nothin'"!

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20th April.

The D.G. gave lunch to Mr. Viathianathan, who is the Permanent Under-Secretary in the Ministry of External Affairs and Ministry of Defence in Ceylon, and the Prime Minister's right-hand man. He formerly worked as an official in the British administration and has a wide experience. He was extremely friendly and co-operative and highly intelligent. He has instructed his I.G and D.I.G to call on us, when we intend to explain to them in some detail our functions. At the moment, I gather, they are slightly bewildered. They have formerly had liaison with Scotland Yard, and they clearly

do not know where Scotland Yard ends and we begin.

Viathianathan has met Wagstaffe, of whom he appears to approve, and has introduced him to the Police. He is quite satisfied that he should deal direct with the Police and that he, Viathianathan, does not wish to be kept informed except in the more important cases which may have political repercussions or affect matters of policy.

I talked to him about general security. He seemed particularly interested in this subject and wishes to discuss it further as soon as the Conference is over. He had not apparently seen the document on the Bridges Panel which had been sent to Ceylon. I explained its object and told him how we fitted in to the general security system. There is clearly nothing comparable in Ceylon, but, as he explained, conditions there are, of course, utterly different. For example, in his own office the private lives of all his colleagues are known to himself or to senior members of his staff. There is, however, no general vetting system on the basis of Police records. He evidenly thinks that some improvement in Ceylon is necessary and that there may be much which can be adapted from our system here to suit local conditions.

I saw Birchall about a suggestion that Allan should go to Trinidad with a small mission which to look into the Post Office system generally. This idea was discussed tentatively with Sir John Shaw by the D.G. when the latter was in the Caribbean. Birchall has readily agreed to Allan being sent, and if we think there is any advantage in his going to Jamaica as well there would be no difficulty.

The question of payment arises. The Legislative Council in Trinidad is prepared to pay for two people, but may not be ready to include a third. If not, the expense will have to be borne either by the Colonial Office or ourselves. II said that we would take this up.

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21st April.

A perfect flood of information is coming in from Thistle, as a result of official sanction being given to his discussing certain GLINT material with the F.B.I. There seems little doubt that the Embassy case is mixed up in a wider case of leakage in the United States which is connected with the SPEED case. There are all sorts of complications in the handling of this

material, since even U.S.C.I.B. are not aware of its existence. The F.B.I. are playing up extremely well, and Thistle is in almost daily contact with Lamphere in the F.B.I. who has been making a detailed study of the whole matter.

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Thistle has telephoned (20.4.49) to say that Admiral Nimitz has been informed about MILNER, and that ways and means are now under consideration for getting him out of the delegation to Pakistan. I so informed Hayter.

KACZMAREK was arrested last night, his premises searched and also those of the firm with which he has been connected. He has made a confession implicating KAUDY, the Assistant M.A., but so far has not told us much that we did not know already. He is pleading that he was acting under pressure from the M.A., owing to relatives living in Poland.

I attended a rehearsel of BRITTANIA and made a short speech after the D.M.I's address on sabotage. He postulated sabotage in industries and utility undertakings. I explained that the Security Service was responsible for getting information about the organisation, methods and activities of agents of foreign Intelligence Services, and that in time of war they hope to neutralise them. Further, that we had responsibility for 5th Columns, whom we should endeavour to keep out of V.Ps and to intern should the necessity arise. To reinforce these plans, on the sabotage front we maintained contact with V.Ps and advised them with regard to the measures they should take to protect themselves from internal sabotage. We had no responsibility, however, for guards outside perimeter fences.

As regards suggestions by the D.M.I. that sabotage of railways and communications might be a problem, I said that we could only deal with this in our endeavours to detect the workings of enemy agents or 5th Columnists, and to get the dangerous ones under lock and key. If, in spite of this disgruntled elements committed acts of the kind the Police, civil authorities and the population as a whole would have to be relied on.

The only other point mentioned by the D.M.I. was rumours. I pointed out that in the previous war there were many rumours, but that in no case had they enemy direction behind them, except in the case of enemy broadcasts. The only way to meet this was through the B.B.C. broadcasting denials.

Perfect is proposing to go over and see the Police in the Channel Islands. There is no doubt that his efforts are beginning to bear fruit and that there is a marked improvement in the activities of the Police and the quality of their reports.

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I had a meeting about the War Book with Charles, Dick, Roger and Hill. We decided to report progress as requested to the Transition Committee on July 1st, since this would give us an opportunity of saying that we should get no further with this or that owing to the failure of the Home Office to reach a decision. It seemed to me that we could not leave certain important decisions about arrests, searches, proscribing the C.P., etc., to the precautionary stage - at any rate without

clearing a great deal of preliminary ground. If the whole subject had to be trashed out by a Working Party and then submitted to a Cabinet Committee, and then finally to the P.M., the Communists would have burned all their documents long before we got near them.

It was agreed that the appropriate sections of B and C Division should get out a small index of people that they would like to consider for arrest at the outbreak of war. It seemed to me that if such a system were not adopted, the names of important people might well be forgotten when a crisis arose.

Roger feels that Communists laid off from undertakings susceptible to sabotage should be interned. There is considerable force in his argument, but I doubt whether there is any use in interning a large number of people merely because they have been unlucky enough to acquire knowledge valuable to an enemy. There is not the slightest doubt in my own mind that any of the Tribunals we had in the last war would immediately have let them out.

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22nd April.

Carew Robinson came to see me. He is writing up a history of 18B cases and wanted to know whether we had anything on the subject which would be of use to him. He had read Aiken-Sneath's report on the B.U.F. and he knew quite a lot about the proceedings of the Birkett Committee. He had, of course, had access to all Home Office files. I told him more or less what I thought of the Birkett Committee, which instead of being an impartial tribunal really acted as Counsel for the Defence of the accused. I reminded him of the case of KURTZ and Ben GREENE, where Birkett had cross-examined our agent like a pickpocket. Ultimately, of course, GREENE had brought an action against John Anderson which had failed and the original testimony of our agent had been upheld. This to my mind was a clear illustration of the dangersof anything in the nature of a legal tribunal.

I showed Carew Robinson portions of Curry's book which had a bearing on the subject. He promised to let me see what had been written before it was embodied in any war history.

I saw Noel Wild, who informed me about the latest L.C.S. plans. 'C' had previously mentioned them to me and suggested that I should get hold of Wild, as certain of them would affect matters in this country.

We had a long meeting with S.I.S., from 3 p.m. to 6.30 p.m., when we considered the draft memorandum of our former deliberations.

I opened by saying that I thought the draft was rather an unfortunate one; it read to me rather like a legal document drawn up by two business firms anxious to see they were not double-crossed by each other. Secondly, I felt that for those who would read it and were not au fait with the discussions and counter-arguments, it might be rather misleading, in particular by the various points raised by S.I.S. against our representation abroad. Frankly, none of them seemed to me to have much substance, and if they remained unanswered it rather gave the appearance that we thought they were valid.

Jack Easton and said they were sorry that I did not like the general tone of the document; they had, however, felt bound to introduce these points to show that they had been raised, otherwise they would undoubtedly have difficulties both with their Chief and with the Foreign Office. I said that we too might have difficulties with our Chief, who might well say that he had a Charter given to him by the P.M. and that he was denied the means for carrying it out to his satisfaction.

I do not think that this rather blunt opening to the proceedings did any harm - in fact S.I.S. were pretty amenable to a number of amendments which we subsequently introduced in order to get the document on to better lines. There was a tendency throughout to avoid closing the door to some sort of interim arrangement by which the joint collation section could be set up temporarily in some other building or in one department or the other. We concentrated on getting this eliminated wherever it appeared, and on stressing that the cardinal factor was to obtain a building or contiguous buildings which would house us all; anything else could only lead to inefficiency and was not, as stated in the document, purely a question of convenience.

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23rd April.

There has been a slight spot of bother over an agent of the Lancashire Police who attended the Paris Peace Conference. Unfortunately he ran out of cash and, after disclosing his identity first to the Paris Prefecture and asking for assistance, he went to the British Embassy. S.I.S., whom we told about two of our own people attending the Conference, were not informed about this agent; we only knew in fact through the Lancashire Police that he was going, twenty-four hours before he started, and we were never given his name.

This is a typical instance of S.I.S trying to make a mountain out of a molehill and to build up a case against any form of representation by us abroad. It is difficult to see how advance information about this man's visit could have altered the position from S.I.S's point of view.

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Burt came to see me about Communists in the Police Force. He wanted to interview the two suspects on whom we are carrying out observation by H.O.W. The matter had been discussed with the Home Office, who were giving it their consideration.

I said that the Police were really neither civil servants nor military; they were somewhere between the two. In the case of the military, it would not be customary to question a soldier about his political views, provided he was not doing anything prejudicial to military discipline. It would be argued that the C.P. was a legal body and that he was entitled to be a member of it, in the same way that any other soldier might be a member of the Labour Party, the Liberal Party or the Conservative Party. If, however, the Home Secretary decided that Police Officers should go through the "purge" procedure, it would be wise to get a complete case of Party membership, or "association with it in such a way, etc., etc.," otherwise the case would be turned down by the three advisers. It would then be very difficult - if not impossible - to move the man to some other

sphere. The Home Secretary might, however, decide to allow Burt to interrogate the man.

I said that while I was pretty certain that Burt would get away with it, it was just possible that in one case in a hundred a man would be the type who would stand on his rights and might go to his M.P., or to Pritt. Unless at that stage the Home Secretary was prepared to get up in the House and support him, he might be in difficulties.

Runacres of I.R.D. rang up with a list of delegates to the Paris Peace Conference. I told him that we could pick out about forty names, but some 200 were reported to have gone and the names were still coming in. He said he would let me know if he wanted the names immediately. He seemed doubtful whether it was really necessary to put us to the trouble of searching our files.

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25th April.
D.G. Meeting.

The D.G. circulated to us a copy of his proposals that a new Director should be appointed to control the activities of all our B.3 sections. He said that he thought we might not agree with it, but that he felt very strongly on the question and would like us to give it our careful consideratio

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We had a further meeting about our own War Book, during which further points emerged. Although it seemed to me desirable that we should clear the ground as far as possible with the Home Office, even though the decision would have to rest with the Secretary of State of the Cabinet of the day, there would inevitably be a good deal of preliminary work to be done. I doubted whether if this were all left until the precautionary stage we should get a Cabinet decision in time to enable us to take action. It seemed to me that we wanted to have a carefully reasoned document on the pros and cons for presentation to Ministers immediately the crisis arose.

26th April.

Caulfeild came to see me about two things. Firstly, a friend of his named who is having labour troubles in his factory - known as I said that unless this was a listed factory where secret work was going on, I doubted whether there was much that we could do. Nevertheless, if would make us a report, mentioning the individuals, we should like to have it.

His other point was concerned with the purchase of rubber by the Russians. The indication was that some individual unidentified had presented a cheque, made out to a member of Schroeder's Bank, for some £4,000. This was an extremely high figure in relation to the deal and seemed possibly to indicate that the Russians might be taking bribes. I said that of course many such individuals made out that they had to pay large sums of money to Russians in order to get the deal through, but in fact put it into their own pockets. If, however, it were possible to say that such and such a Russian was receiving a high commission, it would be extremely valuable to us to know his name. Caulfeidl said that this was exactly what he had in mind, and that if he could assist us in any way in identifying such an individual he would be very willing to do so.

Runacres asked me whether we would like to receive copies of his reports on Communism, and whether I thought it would be a good thing for him to send copies to the Home Office. I said that I would certainly like to see them and that having read them I would give him my views about the Home Office.

I mentioned that we might be raising at the J.I.C. the question of these reports, since it seemed to me that so many people were compiling them now that confusion might result if they were not carefully co-ordinated and written on the basis of all information available. There was, for example, a good deal and probably more than anywhere else in our files and in those of S.I.S. Some of this information at any rate did not reach the Foreign Office at all.

Pat Davis, who is Principal Secretary to Noel Baker, told me thatshe had recently had a ridiculous report about Ireland from M.I.5, mentioning a sum of £50,000,000 said to be going from the I.R.A., I think, to Russia. I told her that such a report would not have come from M.I.5, since we were not concerned with rendering reports about Ireland and certainly would not have passed on anything so wild to the C.R.O. It seemed to me that the kind of thing that might have emanated from the North.

David Scherr tells me that we have had no such report, and I am trying to check up with S.I.S. It is rather irritating that we should have to take the rap for this kind of thing.

War Minutes of D.O. meeting held to-day, see folder in D.D.O Sec's tray.

John Marriott brought me a visa application by KRAVCHENKO, in which he stated that he wanted to come here in transit to the U.S.A. He would be making a statement to the Press, etc. On arrival he wished to be met by an armed guard in order that his protection might be assured.

We decided that this was purely a matter between the Home Office and the Foreign Office. From the security point of view we had no interest.

I lunched with van Moyland. He said that the Head of the Police was coming over here and that he would like me to meet him.

I had a talk with Llewellyn, late Acting-Consul-General at Dakar, who had been extremely helpful to Stephens. I thanked him for all he had done. He expressed very warm appreciation of Stephens's work and appeared to have formed a very good friendship with him. He was rather amused by a remark by Stephens to some wife of a member of the foreign community, who asked him what he was doing. Stephens, with his eyeglass well in, said that he was interested in stained glass windows! Apparently this explanation of his presence in Dakar was accepted!

Llewellyn is going to take up a post at our legation in Kabul.

Ian Carrell is back on leave. I had a talk with him about things in Hong Kong. There had, of course, been difficulties with Mackintosh, Chief of Police, but things were now going better. The D.S.O. was handling all intercepted material and co-ordinating these activities with Singapore.

27th April.

The following points came up at the J.I.C. to-day, off the Agenda and in conversation afterwards.

1. A Brigade is being sent from this country to Hong Kond in May and Anti-Aircraft units are to follow in June. No immediate trouble is expected, but it is felt that if the Communists assume control of the whole of China and come down to Canton, some attempt on the Island may be made. In any case it is thought desirable to have additional forces to cope with any possible internal trouble and refugee problems.

It is generally felt that the Island could be held against an all-out attack by Chinese Communists, largely owing to the weakness of the Chinese Air Force. If, however, the Russians were to intervene it would be a different story.

2. Contact has been made either by Naval or Embassy personnel with the Battery which fired on the "Amethyst".

The Battery Commander stated that he had orders not to fire on British ships unless they fired first. He alleged that the "Amethyst" had done so. In fact the "Amethyst" never fired a shot until she went aground, due to damage by enemy fire. The Battery Commander said that he had recognised that the ship was British and that he would not again open fire unless she attempted to move from her present anchorage.

As regards the firing on the other ships, the Battery Commander alleged that this took place owing to the fact that no previous notification had been given.

The meeting was on the whole quite friendly and conciliatory, and the Chinese have even offered to lend a sampan if the ship's boats are too damaged to permit of communication with the shore!

3. The British Embassy in Nanking has not been molested in any way and wireless communication is still maintained.

Our Military Attache states that the bearing and march discipline of the Chinese Communist forces is distinctly good. They are well clothed and equipped.

4. Sir Henry Tizard had an extremely unpleasant interview with Lewis Johnson, the new Secretary of State for Defence in Washington, on the subject of Australian security and the consequent hold-up by the Americans in passing classified information. So heated did this become that at one moment Tizard nearly left the room. Subsequently, however, Johnson went to see Eisenhower and seems to have had his head washed, since he returned in a more conciliatory mood.

Although Shedden's visit started on an extremely bad wicket, he has apparently created an extremely good impression with certain of Johnson's subordinates and was to see Johnson himself before he left.

5. Hayter mentioned to me after the meeting that he hoped that as much of the KAZZMAREK case would be held in open Court as possible, and said that if he were called upon to make a snap decision he would hope that all the Polish diplomats implicated would be mentioned by name and not in the customary way as "representatives of a certain foreign power". I told him that the D.G. would be making a statement at the meeting on Friday;

We had a meeting about the D.G's proposals for the formation of an overseas Division with a new Director. Dick, Roger, Charles and I all felt that this step was organisationally unsound and that if B.3 were manned and the B.3 sections properly staffed the D.G. would not have the feeling, which he apparently has, that things overseas are not properly looked after. If, however, the D.G. was not prepared to allow this situation to remedy itself when Kellar returned and other suitable officers were found to man the sections, the only possible arrangement would be for Hollis to become an additional Director and hold the position in the office of Deputy B.; this would to some extent ease this burden and ensure that overseas matters were represented on the Directorial Board. This would mean, however, that we should have to have another Director of C. Division, which clearly would create an extremely difficult problem to solve. It was difficult to see what Kellar would do, since if Hollis became Director of overseas stations he certainly would not want a Senior Officer.

Hollis undertook to put up a note on our deliberations, which we would discuss on Monday with Horrocks when he returned.

The D.G's paper is, of course, directed more against the administration than anything else. However, whatever the drive on the administration front, it is impossible to recruit and train suitable officers in a short time. There has been a repeated demand for the establishment of overseas sections, and in consequence we have had to denude Head Office. The basic trouble about separating overseas sections from B.Division arises from the fact that all stations abroad largely derive their motive power from B. It is the subjects being studied in B.1 and B.2 which provide the raison d'etre for a large number of our stations abroad. There are, of course, some stations where the product is almost wholly indigenous, or where the work to be done is of a C.Division kind, but the main stations of S.I.M.E and S.I.F.E have to be fed by B. The point that we particularly stressed in our note is that overseas matters should be directed by the Directorial Board as a whole and that the daily meeting by the D.G. with his Directors, however short, might go a long way to meet his needs.

28th April.

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I saw Sir Richard Aluwihare and Mr. Koelmayer. They are the I.G. and the D.I.G. of the Ceylon Police. We had quite a long talk. What interested them particularly was the system of the Bridges Panel, which I explained to them in some detail. They told me that at the moment they were responsible for security in all Government Departments. I pointed out to them that this was clearly wrong, since they had no control over the personnel. The responsibility for security must rest with the departmental Minister, and the role of the Police was to give them advice and assistance from their records. They heartily agreed and seemed much relieved at the prospect of being able to remove the major burden from their own shoulders.

We further discussed Roger's paper on the oversees Division. I said that I thought it should provide a more definite answer to the various points which the D.G. had raised in his memorandum. It was, I thought, necessary to make it quite clear what the reasons were for the present situation. We should, I think, say also that even if a new Division were created, much of the work would still have to be carried out by B. Division, unless there was to be very considerable duplication. The third point was that it would not be solely those in the Overseas Division who would be visiting stations abroad; it was often necessary for representatives of B.2 and B.1 to fulfill this task.

Roger is going to amend his draft.

29th April.

At the J.I.C. to-day D.N.I. mentioned that in his lecture during Operation TRIDENT, Sir Henry Tizard seemed to take a poor view of Intelligence and of the J.I.C. in particular. He said that he had no time to read the J.I.C. reports and that he did not believe that the Russians were capable of launching an offensive against us.

This was generally considered to be a somewhat irresponsible remark.

The First Sea Lord, in his address at Operation TRIDENT, mentioned the immense importance of American co-operation, and stated quite frankly that if it was not forthcoming resistance by ourselves would be out of the question.

Admiral Inglis was present.

2. The Foreign Secretary is worried about the situation in Hone Kong and is asking the Colonial Secretary of State to supply a weekly report. A telegram is being sent to J.I.C. Far East from J.I.C. London, and the Colonial Office will be warning the Governor.

3. Hayter is proceeding to Washington in about a week's time. He is anxious to take with him the paper on defectors and the Secretary has been asked to ensure that it is ready. I understand that we have done our part and that it has been with S.I.S. for some time.

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5. The D.N.I. had a long and frank talk with Admiral Inglis on Friday last. He made the following points:-

1. The first he had heard about the lack of security in Australia was in July last, from Sir Edward Travis followed by Sir Percy Sillitoe.

2. Why had we not taken the side of the Americans against Australia, whom he regarded entirely as a third party? (The Commonwealth link clearly meant absolutely nothing to him).

3. In dealing with the Australians we had deliberately sheltered behind America. The Americans knew all about this as they had their own sources in Australia.

4. We had refused to reply to the American letter asking us to withhold any information about guided missiles from the Australians, and had ended by sending a letter from the Minister of Defence which had given grave offence.

D.N.I. went on to say that Inglis was a confirmed Anglophobe from the Middle West, who regarded any collaboration with the U.K. as an unwelcome commitment. He did not think that we had any contribution to make, or that we were really worth helping. D.N.I. said that during Operation TRIDENT, when Admiral Hill mentioned co-operation with the United States

applause was general, with the noted exception of Admiral Inglis!

Inglis disbelieves both in our Government and in the Government of Australia, and is convinced that any information which is passed either to the U.K. or to Australia is bound to come into the possession of all members of the Cabinet and ultimately of Russia. He could not believe that an Intelligence Service had the right to withhold information from a Minister.

Inglis should be going in the course of a year, but there are strong rumours that, in view of recent incidents, he may be on his way out somewhat sooner.

6. Hayter mentioned that Dr. Jessup, the American representative on U.N.O., had made the approach to the Russians regarding the blockade. This had clearly been a bad gaffe, since everything was moving in our direction and nothing was required except to sit still and wait.

Jack Easton telephoned about some final amendments to our paper on the relations between the Security Service and S.I.S. I could not agree with his wish to exclude reference to a Committee which should consider all requests from the Security Service or from S.I.S. to operate on each other's territory. For some reason or another, S.I.S. do not wish to set up this piece of machinery.

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30th April.

A telegram has come in from Thistle saying that MILNER was due to arrive here at 10 o'clock this morning. He said that MILNER would probably visit a Professor at the London University. It was too late to pick him up at the airport, so we put a check on the Professor. MILNER is by way of going on to Geneva tomorrow.

2nd May.

Thistle has arrived for discussions about the Washington case and the material on which it is based. The important point which emerges is that the individual at the back of the operations in the U.S. was GROMOV, who I think at the time was an Attache at the Embassy. The whole position with regard to the material in the U.S. is extremely delicate, since Carter Clarke, who is in control of it is prepared to take quite a wide view of what concerns this country. Should O.N.I.

become aware of this, and in particular Admiral Inglis, considerable complications might result.

Lamphere of the F.B.I is handling the material in the F.B.I. and is extremely co-operative. It is still not clear how the actual leakage from the British Embassy occurred, but there is at least a possibility that the documents were obtained through Alexander Halpern's secretary.

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

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I rediscussed with D.B., D.C and D.E/A our reply to the D.G's note on the overseas division. We explained that we had misgivings about a new division which would be bound to breed separatist tendencies, and pointed out that in any case it would have to make full use of the B. Division sections which must remain the principal stimulators of overseas stations. We thought that the present somewhat satisfactory situation was entirely due to the denuding of the staffs of the B.3 sections and to the fact that there had been no officer in control of B.3 for about six months. This had thrown an intolerable burden on D.B.

For the above reasons we were unanimously in favour of continuing under the present organisation, which we thought was logically created, and would work satisfactorily on the return of Kellar. If the D.G. did not agree, there were two alternatives, both of which we felt had certain disadvantages. Firstly, to place Hollis as an extra Director in B. Division to carry overseas responsibilities and to act as D.B's deputy; this meant, of course, that another Director would have to be appointed for C. Division, and secondly, to place overseas matters under Hollis in C. Division, which seemed to us grossly illogical.

I talked to the D.G. about the paper on our relations with S.I.S. I explained to him that I thought he was under a slight misapprehension - in fact the paper stated that we could proceed with discussions about representation abroad provided we agreed in principle that our ultimate aim and object when accommodation became available was to get into the same building and have a joint collation section. It seemed to me that this was a considerable advance.

The D.G. had formerly criticised our paper rather severely, stating that he thought it was the business of a Working Party to put forward a workable scheme, and could not see that anything of significance had been decided. I said that in my opinion the arguments put forward by S.I.S. in opposition to our having representation in foreign territory were really laughable, and that if I were them I should have been ashamed to put them in. Apart from this, the de facto position was working against them all the time. In my view, if 'C' were a realist he would be thanking Jack Easton for having applied the brakes to a car that was rapidly running downhill, and would continue to do so though perhaps not so fast.

6th May.

We had a meeting on the paper which we are preparing for the J.I.C. and Chiefs of Staff on the sabotage threat to this country.

I attended a meeting of the Vice-Chiefs of Staff to-day, when a telegram from America regarding an objection by the Americans to Philips Radio subsidiary companies being employed on the manufacture of V.T. fuses.

General Wrisberg, of the Ministry of Supply, said that since this controversy arose he had, in anticipation of a ban on MULLARDS, made tentative arrangements with G.E.C. and E.M.I. to take on the production of V.T. fuses. This would reduce the delay in our production programme to eight to ten months instead of three years. For a variety of reasons, including this one, he thought it inadvisable to press the Americans any more on the question of their objections to Philips subsidiary companies. He had already received a considerable amount of plant from the Philips Group for the manufacture of V.T. fuses and he intended to complete this contract.

The Vice Chiefs seemed satisfied with this arrangement and it was decided not to pursue the matter further with the Americans.

Incidentally, Grisborg mentioned that within the last few weeks the Americans had eliminated a number of Philips technicians from their research establishments in the U.S.A. They had evidently decided that before taking a firm line with us it might be advisable for them to put their own house in order!

I stayed on for a discussion on the establishment of a Security Service by the Germans in the Western Zone. I gave some history of what had happened after the 1914-1918 war and then said that I thought that if we were going to attach officers to the organisation for supervisory purposes in the Laender, we should not neglect the Federal Bureau, which would otherwise become the centre of a German clandestine service. This would probably occur anyway, but we might have some knowledge of what was happening.

The V.C.I.G.S. spoke about the proposal that the Germans should be allowed to have a Gendarmerie. This had been turned down by the Foreign Office, but the V.C.I.G.S. did not agree and intended to take the question up. He thought that if the Germans did not have a Gendarmerie in the Western Zone they would be at a serious disadvantage if any question subsequently arose of the Allies withdrawing from Germany altogether. The Russians would then have a Gestapo of considerable proportions, which under their direction would get control over the whole of Germany. Apart from this, he did not like the idea of British troops being called in to quell disturbances if they should arise.

9th May.

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Mills has arrived back from Gib. He seems to have a very good grip on the situation and is carrying out duties not only for us, . He pays periodical visits to Madrid and Seville and has re-established contact with He had previously dropped and excluded him from the Rock owing to proof that we had obtained during the war that he had been acting for the Germans. He is now proving a useful source of information.

10th May.

We discussed the paper on our relations with S.I.S. at the D.G's meeting to-day. I rather emphasised the points I had previously made. He said that he had already approached de Normann about our going into one building, but he understood that this could not be achieved for at least four or five years. He had reported this to 'C' and had asked him to state definitely whether he was in favour of the project, since if anything was going to be done the premises would have to be earmarked now.

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I saw Walter Bell, who is leaving for Nairobi. I have sent a personal letter about him to Baskerwyle-Glegg, urging that he should be given as much scope as possible.

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11th May.

I attended a rehearsel of Exercise Britannia this morning.

We gave a lunch to Commodore Shelley, who is leaving is post as American Assistant Naval Attache. He has been extremely helpful to us with regard to defector cases.

12th May.

I went to see Garner of the C.R.O about a suggestion that Dick and I should go to Eire. I felt that in the present circumstances it might be wise to postpone our visit. He agreed, but said that he did not think it ought to be too long delayed. Meanwhile, he said he would write to Laithwaite.

The Irish are at the moment being more than usually contrary, which is saying a lot! They affect to be highly incensed,because in our Bill which recognises the Republic of Ireland we have also recognised Ulster and made it quite clear that she will remain a part of the U.K., unless of her own free will she decides to throw in her lot with the South. This may be a vairly safe bet, but at the same time I do not see how under any circumstances we can relinquish our control of the Northern ports, which are vital to the security of this Island. Even if Ulster said she wanted to join with the South, we ought to say "no". I gather that this is, in fact, the view of the Cabinet, but that of course for political reasons our attitude cannot be mentioned.

The D.G. gave a lunch to Captain Popkess, C.C. of Nottingham.

Popkess is an extraordinary character and clearly something of a meglomaniac, as his large signature in green ink denotes! He is gadget-mad and his one idea is to mechanise the Police. On the other hand, he is no fool and some of his devices seem quite sound. He had, he says, reduced his breakings-in in Nottingham by 43% through the installatinn with firms and private individuals of a burglar alarm system which runs straight

into his Control Room. The D.G. thought this system might be useful for the physical security of this office and I am to go up and have a look at it.

Popkess also has schemes in force for the identification of individuals by photographs and by handwriting. I doubt whether either of these are applicable to the kind of case that we deal with in this office.

Our object in getting Popkess down here was to interest him in our work and so give his Special Branch officer appropriate support; in this I think we have been wholly successful. Before he came here he hardly knew that he had a District Party Committee of the Communist Party in his city.

We had a further meeting on the War Book, which we have now completed. We have still to consider the question of staff required for expansion.- the particular individuals who are to fill the jobs and what further recruitment and training will be necessary. I am appalled at the thought that in the event of war we should have to send out no less than twenty-four officers to the provinces the moment the flag falls. In addition, to this, we have quite a heavy commitment for any Supreme Commander's staff.

Van Moyland asked me to come out and meet the Chief of the Dutch Rijkspolitie, but I am afraid I cannot remember his name. The discussion was general and mainly on the subject of Russian and German intentions.

13th May.

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I talked to Newsam about the Irish Bill. He said that he had been largely responsible for the inclusion of the para.

about Northern Ireland. I said that taking a long-term view I was rather worried by the implication that if the North one day decided to throw in their lot with the South we would be prepared to allow them to do so. Personally I could not see that this country could possibly afford to give up the Northern ports, even if Eire came into the British Commonwealth, or even if they decided to have a defensive alliance with this country. The Northern ports were vital to the security of this Island and there could be no comparison between the Irish situation and the Indian situation, owing to Ireland's geographical position vis a vis this country, and you might just as well contemplate Liverpool being declared an independent republic.

Newsam was prepared to agree, and in fact said that in Cabinet discussions it was abundantly clear that the British Government would not in any circumstances contemplate giving up direct control over the Northern ports. Whether there would ever be any possibility of a solution of this problem on the basis that we have leased bases to the U.S. in the Caribbean, I do not know.

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16th May.

I saw Druce, who is over here from S.I.M.E. He is coming to the end of his Army service and wants to be taken on as a civilian in the Security Service. He seemed quite a pleasant personality and is well spoken of by Bill Magan. We might possibly send him to Greece, where he has been employed before.

General Irwin, the American D.M.I., called with the American Military Attache. The D.M.I. had mentioned his presence here when I motored down to Camberley with him for Exercise Britannia. It occurred to me that this might be a useful opportunity for regularising our relations with G-2. The D.G. was not in, so Dick and I saw Irwin together and explained to him our liaison in Frankfurt and also with Miller in Singapore. The General said that he had no direct responsibility for the production of Theatre intelligence; he was merely concerned with the personnel and training. If, however, our liaison with Theatres was not satisfactory, he could say a word to General Omar Bradley, with a view to getting this put right. We said that that the relations were working perfectly well and that all we wanted was his blessing, which he readily gave. He thought it an excellent thing that we should liaise with G-2 wherever it was convenient to do so. At the moment they had nobody in the Middle East.

General Irwin subsequently saw the D.G. for a moment.

We discussed the S.I.S. paper at the D.G's meeting to-day. The D.G. explained that he had not yet had any reply from 'C' on the basic question of joint accommodation.

I think the D.G. seemed more satisfied that the joint report did represent a certain advance in our relations with S.I.S.

17th May.

For Minutes of D.G. meeting see folder held by D.D.G.Sec.

I went down to Camberley again for an Exercise Britannia rehearsel. Gerald Templer threw out a question postulating that in the event of war we should find Communist cells in every Government department, every Service and in every factory - what did we propose to do about it? I replied that we had for many years made a careful study of Fifth Column movements in this country, that as a result of this we had compiled considerable records and had a fairly comprehensive knowledge of methods and tactics. In addition to this the Prime Minister's purge system was in operation, and measures were taken to prevent the entry of people into employment in places where vital secrets were held. We did not wish to be complacent; but we felt that we were in a fairly good position to deal with any menace such as the V.C.I.G.S. had described, provided we had the necessary powers.

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18th May.

Ransome telephoned to me about a naval rating called JAMES, who had disclosed himself as a Communist and refused to go to the aid of the "Amethyst". The Admiral was inclined to get rid of him on the grounds of "services no longer required", rather than to have a Court Martial, which he thought would cause undesirable publicity.

I said that there were two points which I thought should be borne in mind; one was that although this incident was known to the Communists and that in the event of a Court Martial Pritt had been asked to take the defence, nothing had been said about it in the Communist press. This was probably due to the attitude adopted by naval ratings and the population of Dartmouth when Harry Pollitt went down to speak to them. There seemed, therefore, to be little desire at the moment by the Communists to exploit this incident. The second point was that JAMES, in communicating with his parents, had indicated the unpopularity he had incurred amongst the ship's crew and his fear of being lynched. This

seemed to me to be a more important point, since if JAMES were not courtmartialled there might well be resentment on the part of his comrades.

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Perfect and I lunched with Thomas, C.C. of Merthyr Tydfil. He seemed a reasonable, co-operative type and ready to take a keen interest in our affairs. He was given a tour of the office and had talks with Oughton, F.J and others. He was particularly interested in the case of suspected sabotage which had been brought to his notice by a man called of a firm called Teddingtons. This firm had been applying a highly polished surface to certain steel rods which had something to do with the lubricating system of aircraft being used for the Berlin air lift. It had been found that owing to the heavy weights carried, the engines were getting overheated and this device was specially constructed to meet the difficulty; it depended for its efficiency on the highly polished surface. had discovered several of these rods which appeared to have been deliberately scratched, and he put it down to a foreman whom he knew to be a Communist. The factory is, I gather, a listed one but has never been visited. Thomas would not have reported the incident unless Perfect had happened to see him. This is now being tied up and Paynter is looking into it.

M.E. talked to me about the G-2 report on the case of Dr. SORGE, the Soviet agent who had operated for a long time in Japan but was discovered by the Japs during the war and executed. G-2 had had access to the original Japanese documents and had compiled a highly interesting report, which we had applied for throu

M.I.3. G-2 had, however, given them the brush-off.

M.E. thought it possible that General Irwin, the American D.M.I., might be able to assist. I passed this on to the D.M.I.

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19th May.

Travis came to see us after his return from Australia and America. He was extremely satisfied with the arrangements which had been made with Carter Clarke, which would in effect give us access to almost all the material we wanted and enable us to collaborate freely with the F.B.I.

I mentioned to him Popkess' burglar alarm system. He said he would be very glad to have details as he thought it might have considerable uses at Eastcote.

We had another Exercise Britannia rehearsel at Camberley. I saw the War Room scene which was quite interesting. It assumed that by 1960 War Headquarters would be fully equipped with television apparatus. After the A.B. explosion over Bristol, the G.O.C. spoke to the local Commander in the area, who appeared on the telephone on the mock-up television screen. He was asked to send up a helekopter, also equipped with television apparatus. Bristol is seen from the helekopter appeared as a moving target on the screen.

Before the War Room scene the A.B. explosion over Bristol took place. This was portrayed effectively through an explosion transmitted over a loud-speaker. Immediately afterwards large clouds rose from the muddle in the centre of the Rawlinson Hall and various lights were operated to indicate

fires. The explosion seems to have been a surprise to most of those present, as indeed it was to me. By that stage of the proceedings a number of Brigadiers and higher ranking officers had sunk down in their chairs and were half asleep! They got an extremely rude awakening!

20th May.1.

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Dick White has had a most successful visit to Paris, where for the first time officers of the S.E.D and the Surete have met round the table. Dick is convinced that the people who really matter are the Surete. He took with him

The effect of the visit is that we shall now have much closer relations with the Surete, which I hope will be cemented further when they come over at the beginning of next month. was merely a stooge throughout the whole visit, but he would not know it!

At the J.I.C. Directors' meeting to-day, D.N.I. said that he had recently paid a visit to Sweden. He found their defence measures were very well advanced, even down to a "scorched earth" policy. He got the impression - although based on exactly what I do not know - that C.E. in Sweden was not a strong point.

The Russian aircraft which recently landed in Sweden is not of a modern type. The Air Ministry hope to examine it. The pilot, who is remaining in Sweden as a political refugee, comes from a district about which information is sought. He is to be interrogated.

2. As regards the "Amethyst", D.N.I. said that the ship could only be moved by an approach on the top level, which in the present circumstances it was difficult to get. The Chinese were still endeavouring to get from us an admission of original fault.

3. Kellas of the Foreign Office stated that a defector of some importance from Czecho-Slovakia had arrived in the American zone. He is the Secretary to the Council of Ministers and has attended all Cabinet meetings. The Foreign Office are asking General Hayden to obtain from the Americans the results of their interrogations, and Hayter is to take the matter up in Washington.

It seems doubtful whether this man will have much to say of special interest to ourselves.

I saw Birchall and asked him about Allan's visit to Trinidad, the purpose of which is to see what can be done about interception. Sir John Shaw, the Governor, has got the wind up about Allan's visit, as the local Legislative Council are only prepared to pay for two individuals who will be dealing with the general administration side of things.

I said that there were two alternatives, either that Allan should have some plausible excuse for finding himself in the area, or that one or other of those already going should be briefed by Allan. Birchall said he would look into these two alternatives and let me know the result.

22nd May.

Oughton talked to me about a request from Mackenzie of the Northern Department for information about the Peace Conference held here on the 17th May. It seemed that Mackenzie wanted to pass our information to the Americans.

It seemed to me undesirable that we should start up another channel for this type of information, when the American Embassy had an F.B.I. representative in their office who was in almost daily touch with ourselves.

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Page looked in to see me. He is going back to Geneva in about ten days time. He said that the proceedings had been one huge woffle. The Russians did not seem to care very much what they agreed to, since they clearly had the firm intention in the event of war to disregard anything that the Convention might decide. However, this to some extent simplified the discussions!

24th May.

I attended the Brittannia Exercise and made my little speech after the D.M.I. This was followed by a certain number of questions which I think were fairly successfully answered. One officer, a propos of sabotage, suggested that instead of trying to guard railways and telephone lines it would be much simpler if we put the whole FifthColumn into gaol. I said that I entirely agreed, but that I did not think it would be necessary to deal quite so drastically with the Communist Party - at any rate at the outset. I tried in general to give the impression that we were well on top of things. In fact, I think we are although we are conscious of a number of gaps and hope to improve them as time goes on. If one is at all hesitant the soldiers are apt to get the idea that nobody knows anything about the Fifth Column and will start doing things on their own. This is invariably fatal, as we knew to our cost at the outbreak of the last war.

Every commanding general was present, including those from the Middle East and Far East. There were no officers below the rank of Brigadier. In addition, Chuter Ede, Kenneth Younger, Monty, the C.I.G.S., and the V.C.I.G.S. attended. Chuter Ede made a very witty little speech. He bagan by saying that he thought he had got there just 32 years too late; when he was a Regimental Sergeant-Major he would very much like to have had an opportunity of addressing the Staff; there were one or two little things he might have told them!

25th May.

Sir Norman Brook telephoned to me about BLACKETT. There is apparently some suggestion that he should be given an additional post. I told Brook exactly what our assessment of the case was and where, in our opinion, the danger lay. BLACKETT was strongly Left Wing and internationally minded and surrounded himself with Communists who might not share his integrity. He was not, however, the kind of person who would act as a secret agent himself, at any rate under normal circumstances.

I said that because he already knew so much, it was not a good argument that he should be given access to new fields. I suggested that before reaching a decision Brook should have a word with Sir Harold Parker, who would tell him about Tizard's interview with BLACKETT.

Ann Glass came to talk to me about the old case of William Norman EWER. of the Federated Press of America.

There was no doubt that EWER had been a Soviet spy and that George SLOCOMB, now on the Evening Standard, had assisted him. Freddie KUH's part in the conspiracy was a little doubtful. EWER had been in touch with someone in the Foreign Office, and it is now suggested that he should be interrogated in order to ascertain the identity of this individual. I wondered a little whether if this were done, after a lapse of twenty years, it might not invite criticism as to why it had not been done before. Apart from this, I did not see that there was any special inducement for EWER to tell us the answer. The case will need very careful consideration. After the arrest of GINHOVEN and JANE, the two Special Branch officers implicated in the case, EWER must have concluded that we knew about his activities. No action appears to have been taken at the time of the arrests, as they coincided more or less with the General Election and it was felt generally that another Zinoviev letter incident should be avoided.

26th May

Two policemen have been down here from Nottingham. They are now well on their toes as a result of Popkess' visit.

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Mann tells me that MIDDLETON, who had recently resigned publicly from the Communist Party, has now been elected as Secretary of the Scottish T.U.C. The vacancy fell due and a Right Wing Trade Unionist called CURRY had been groomed for the job. When the election meeting was held, a Councillor from Glasgow named DUNCAN, who is well-known as a fellow traveller, put up MIDDLETON, who was seconded by the Secretary of the Scottish Mineworkers Union, a well-known Communist. Owing to

the apathy of the Right Wingers, who did not turn up at the meeting, MIDDLETON's election was carried by a narrow majority.

We have no positive evidence here to show whether MIDDLETON's defection from the C.P. is genuine or not. It looks very much as if it were not.

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27th May.

The D.G. saw the P.M. He talked to him about the case of who has for some time been known to be closely associated with MACARTNEY, who did ten years for Soviet espionage and has had other convictions, including one for smash and grab. MACARTNEY, is in touch with POLLITT and recounts to him what he hears from The P.M., I think, will speak to but will confine his remarks to the association with MACARTNEY, which is in fact fairly notorious.

The D.G. also talked to the P.M. about our passing information about British subjects to the Americans. This had come up in an acute form when the Home Secretary was questionedabout the case of CROWTHER, BERNAL, Louis GOLDING, and others going to the Soviet Peace Conference in New York. The P.M. said he had thoroughly approved of our action and that the less the Home Secretary knew about it the better, it would only embarrass him.

The D.G. told the P.M. that we now had quite a number of agents in the Communist Party who were well-placed and gave us good coverage. The P.M. seemed particularly pleased about this.

At the J.I.C. to-day we discussed the case of

D.N.I. said that he had considerable evidence that German scientists returning from this country had been approached by the Russians. He was convinced that if a successful approach were made to the results would be disastrous since he had a complete and up-to-date knowledge of submarine and anti-submarine warfare.

It appears that is quite prepared to settle in this country if he can get his funds, amounting to some 2,000,000 reichsmarks, out of Germany. His property is in the American zone, where there is a complete ban on the export of any capital. A telegram has been sent to the British zone, asking that an approach shall be made to the Americans locally. It is by no means certain, however, that this will lead to anything. If it fails it is proposed to take the matter up in Washington. Meanwhile, is

to be given a month's leave, as it was thought undesirable to antagonise him. 'C' is to do what he can to ensure that if is approached in Germany, he should be briefed about the kind of answer he should give. In the meantime, further details are to be obtained about the nature of his holdings in Germany.

The J.I.B. representative said that he was under an embargo from the J.I.C. in regard to passing information about the arms traffic to the Americans. This had been due largely to the Israeli situation.

It was deicded to lift the embargo and to leave the matter to J.I.B's discretion, subject, of course, to the usual precautions with regard to sources.

It was thought desirable that special precautions should be taken with regard to the Israeli traffic and Commonwealth traffic.

At the moment, the case which J.I.B. wish to discuss with the Americans is the illicit traffic to Albania. In general they will confine their discussions to countries behind the Iron Curtain.

I saw Firth and Allan about the Trinidad project. They said that they could not provide a plausible excuse for Allan to be in the area: neither could they brief the two Post Office officials who were going out.

Allan had the impression that the whole of the Post Office machinery was in the hands of blacks. If this were so, there was nothing that could really be done.

I said that I would try and find this out, and that as things stood I did not think there was anything to be done until our D.S.O. was established. If there was a white official as Postmaster General, he could explore the ground.

Noel Wild came to see me about a deception project, known only to himself and 'C'. He wanted the assistance of the local police in Dorsetshire.

28th May.

I had a long discussion with Roger and F.J. about the sabotage paper. I had a slight feeling that it might

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create a false impression, when we said that we had no evidence of any sabotage plans. The fact was that we had considerable coverage of the Communist Party, and it seemed to me, therefore, that our negative evidence had a certain positive quality. I also felt that in regard to malicious damage we should say something about our experiences during the war, when large numbers of cases were investigated. In no case was the act found to be due to enemy action, and in many cases where the solution was foun that the act was due either to some disgruntled element, or to negligence through bad inspection, or to a desire by a firm to find an excuse for incompetent work.

30th May.

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Noel Wild came to see me about a certain deception project, where he wants our assistance with the Dorset police.

At the D.G's meeting Hollis raised the question of vetting Irish citizens, particularly those being employed on Y work. The fact is that unless a man has resided here for some years, there is little that we are likely to be able to say. It was suggested, therefore, that the authorities concerned should be told that three years of residence in the U.K. for an Irish citizen is necessary before he qualifies for secret employment. This was agreed.

Hollis raised the question about ciphers, which we are to ask Longfield-Lloyd to hand over to Courtenay Young. Other documents of a security nature in the possession of the C.I.S.

are now being handed over to the new Security Service, and the moment, therefore, seems to be appropriate.

It seemed to me that the One-Time Pads, which are held by Longfield-Lloyd, should be changed in case they may have become compromised. This raised quite an issue, since similar Pads have apparently been issued to all overseas stations so that they can communicate with each other. If, therefore, Longfield-Lloyd's Pads are compromised, so are those of all our other stations. I then asked whether there were any other holders of these Pads who were not in fact our D.S.Os. This disclosed that Cummings of New Zealand also had them - and maybe there are others besides.

I suggested that all these Pads should be recalled and that in future our own D.S.Os should have different Pads on an area basis, and that entirely different Pads should be used for communication with any other overseas station which was not under our direct control. The D.G. agreed.

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31st May.

I discussed with Hollis a letter we are drafting to Ministries in regard to the vetting of the 150,000 industrials. Our proposal is that we should cease to receive names and particulars, but should check the place of employment of any Communist who comes to our notice against the list of establishments provided to us by the Admiralty and the Ministry of Supply. Although this method would not give quite the same coverage, it would undoubtedly save us an enormous amount of work. The proposal has been generally accepted by the D.G.

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

Dick White, Vickery and I discussed the collation of Communist reports, with particular reference to the one being issued weekly by the C.R.O. We agreed that before making any representations to the J.I.C. we should reach agreement between ourselves, S.I.S. and the C.R.O., and for that purpose we should have a meeting with Jenkin, and

Vickery gave us a note on MENON. He was certain that [redacted] will try and get some ammunition for us to get MENON out of his present position as High Commissioner for India. So far we had told

nothing except verbally; there was an obvious danger in putting anything in writing.

The note makes it clear that although MENON is obviously trimming his sails in his dealings with the India League and the Communist Party, he shows no real change of heart. Indeed, anything he gets is almost certain to pass to his mistress, Miss TUNNARD, who is Secretary of the League and at least a fellow traveller.

I said that as long as MENON remained, nobody could say that Indian security was good. There would be a danger with regard to documents, and also with regard to Indians who wished to come here to attend Courses, including the I.D.C. They would be under MENON's auspices and liable to questioning.

Vickery is of the opinion that Nehru would never get rid of MENON. The only course, therefore, would be for the British Government to take the bull by the horns and declare MENON persona non grata.

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1st June.

Johnny Cimperman brought Reynolds of the F.B.I to see me, who is on his way to Frankfurt. He appears to be responsible for liaison between the F.B.I. and the Services. We had quite a discussion about relations with the Services, and I was surprised to learn that the F.B.I were moving towards much closer relations and, indeed, that they were proposing to depart from their former attitude that they were merely a fact-finding organisation.

At the J.I.C. to-day we discussed the fortnightly paper on Hong Kong, on the basis of somewhat slender evidence. The general view was that the military threat of the Chinese Communist Armies

to Hong Kong was no greater than it was two weeks ago. There remains, however, still the question of a rabble trying to invade the leased territories, when the Chinese Armies penetrated further south. In such an eventuality I do not know whether any decision has been reached as to whether the troops holding the frontier are to fire or not. The Governor is going to give us a close appreciation of the time and circumstances under which he expects trouble.

I spoke to Marston Logan after the J.I.C. meeting, about sending Left Wing and Communist teachers from the Oxford Delegacy to instruct natives in West Africa. He said that he had received my letter on this subject and had sent it up for consideration by higher authority. He seemed to agree entirely with its terms.

I rather gathered from Marston Logan that he was not entirely satisfied with his liaison with us. I think this arises largely from the constant changes. I told him that this was due to the heavy demands placed upon us by the Colonial Office, who had asked us to open three new stations within a period of about six months. If these jobs were to be filled, we could only send out people who had had a considerable amount of training in our office. I hoped that things would settle down befor long and that we should be able to build ourselves up satisfactorily at home.

He then talked about the case of one from the Seychelles, whom he had asked B.3.c to investigate. He seemed to think that it was extraordinary that a British subject who was living in London could not be traced. I explained to him that, unlike aliens, there were very few starting points with British subjects and the case was further complicated by its delicate nature and the express instructions from the Colonial Office that nothing should be done which would arouse the individual's suspicions.

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Logan then said that he had given us several traces, including that of the man's solicitors. He seemed to think that we would have people standing outside the solicitor's office indefinitely, waiting for to come in or go out. I said that this was an extremely difficult matter, and that we could not employ our special staff on a job like that unless there were reasonable grounds for thinking that the man would be paying a visit and we could pin-point the time. We might do it in a very exceptional case, but the case of would hardly qualify for such extraordinary measures, even if there

was any likelihood of their being successful. Logan then said that he had not realise d that our office was not quite what people like Denis Mackail described it to be.

Later on I spoke to Badham about this case. One of the traces given to us was the Royal Empire Society, and I told Badham to find out whether we had a contact there or not.

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Burt came to see me. He had quite a lot of general gossip. He was very anxious for us to provide him with some chicken food for

He then went on to tell me that Milford Haven had got badly tied up with a Company Promoter called GODFREY. GODFREY who is a Jew with an unpronounceable name, has done seven years penal servitude for fraud and has a number of other convictions for petty larceny. Burt wondered whether I could drop a word somehow through some channel to Milford Haven, advising him to resign from GODFREY's Company. I said I would do what I could.

8th June.

Burt telephoned about Mossy SIMONS, who having been fined in Northern Ireland for smuggling, was brought over for court martial in the U.K. and was given two years imprisonment. He has now escaped, with the Corporal of the Guard - who must obviously have been bribed. The remaineder of the Guard were found locked up in the Guard Room.

Mitchell has arrived back from Beirut after an extremely successful visit. He had two talks with the Prime Minister, who seemed ready to accept all his recommendations, including a British security adviser.

The Minister, Houston-Boswell, was very pleased with the visit. He said that even if nothing is done, the fact that the recommendations have been made and accepted by the Prime Minister will give him a useful handle if further troubles occur. It is quite clear from what the Prime Minister said that the present system is hopelessly corrupt. Apart from that, many of the S.B. Inspectors are detailed on special duties with Ministers, which have nothing to do with their ordinary work, while two are Communist agents.

One of the notes which the Prime Minister had down on a piece of paper was that steps should be taken to clear the agents of foreign powers out of the Ministry of Foreign Affairs!

We are now confronted with the task of finding a suitable adviser. TOLSON has been suggested, but a knowledge of Arabic and French seems essential.

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We began to discuss the D.G's answer to our note on the overseas division, but have had to postpone this until next Monday. What seems to me to be unsound is the non-acceptance of the fact that the motive power for overseas work must come from B or C Divisions. The D.G. feels that the problems overseas are entirely different to those at home and need a special training. Personally I feel that the problems are basically the same and that training in investigation here is the best possible training that an overseas officer can get. He also needs training in C Division methods and principles. He will, of course, have to adapt his knowledge to local conditions. Some knowledge can, of course, be supplied by the area section of B.3, but this is really only reflected knowledge.

Hordern came to see me and introduced Dason, his Chief Inspector who was working on the KACZMAREK case. We discussed the case of , the Australian who is a Communist and anxious to work his way into Springfield in order that he can assist the Russians. The case seems to be a fairly cast-iron one. Before we take action, however, we are anxious to know something more about contacts.

I saw Newsam. He agreed, after some discussion, to amendments of our H.O.Ws which would enable us to take correspondence addressed to or emanating from the subject of the Warrant.

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9th June.

I saw Turnbull, Head of the C.I.D. Sierra Leone, who seemed to think that we had some difficulty in intercepting correspondence from this country to Wallace JOHNSTON. He thought that the latter might be receiving correspondence from Communist sympathisers here, and possibly from George PADMORE, now is now in Manchester.

I could not quite follow what the difficulty was, as it would seem to me to be a simple matter to put on an out check.

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of S.I.S. rang me up about Auberon Herbert, who had apparently established some contact with two Albanians in Italy. I gather that the matter had something to do with D.Ps and that the two Albanians were implying that Herbert had some kind of Government authority, although this was by no means clear.

I gave the gist of a minute I had written about HERBERT a year or two ago, and suggested that the best thing would be to get the Embassy to send for HERBERT and ask him what he was doing. If they did not want to do this, I could perfectly well speak to him when he came back. While it was quite possible that HERBERT might be doing something rather foolish, there would be nothing sinister in his activities.

The Admiralty have bought a Roumanian defecter, who was a wireless operator on a Roumanian ship and gave himself up in Malta. Neither ourselves nor the Admiralty think that on present evidence he is worth sending to this country, but for some reason or other the Admiralty and the Governor do not think they can keep him in Malta. The man's name is PASCU.

We are taking the line that we do not want him here, but if the Admiralty insist on bringing him they must make their peace with the Home Office, and if they do we will assist them in housing him.

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10th June.

D.B. has appeared before the Russia Committee. They were anxious to know about our general machinery and coverage, and apparently had the idea of using us for the "cold" war. Dick explained that while we had considerable coverage it was designed for C.E. purposes and we were not particularly anxious to blow it. Neither did we think that "cold" war activities in this country were a very good idea. It seemed to us that the Press and the Trade Unions were doing all that was necessary!

General Stewart, C.I.G.S., and Colonel Gilbert, Director of Plans, of New Zealand visited the J.I.C. to-day. They were aksed about security in New Zealand. They said the problem was a small one compared with other countries, in that the circle for Top Secret documents was a very restricted one. They had considered having a Security Service, but the proposal had been turned down owing to unfortunate experiences in this direction during the war.

I asked whether reference had been made to Folkes, to which I got a reply in the affirmative. I thought it wise to make it quite clear once more that this matter had nothing to do with the Security Service in this country, and that we had no responsibility for sending Folkes out. I was anxious to make this clear, as it had seemed to me when I last saw him that Commissioner Cummings was still under the impression that M.I.5 had something to do with the matter. Both General Stewart and Colonel Gilbert said that they fully understood the position and had not wished to imply in any way that the Security Service in this country was responsible, Of course the person who was really responsible, although naturally I did not say this at the meeting, was the P.M. himself, who made a complete hash of the whole business. Having taken security away from Commissioner Cummings, he eventually found that he had to hand it back. Clearly, therefore, he could not now take it away again without very considerable embarrassment. There will,

therefore, be no Security Service in New Zealand until Cummings retires or a new P.M. takes over.

I tried to discover whether any positive counter-espionage work was going on, but without result. I had the feeling that both General Stewart and Colonel Gilbert were not entirely satisfied with the present position. As far as Soviet representation was concerned, they said that there was no evidence that the Soviet Embassy in Wellington had any direct contact with local Communists. I rather doubt whether Cummings would know if they had! Satellite Consuls were mostly New Zealand subjects, but I could not ascertain which of them weren't. There is a small community of Jugo-Slavs in Auckland who are somewhat divided in their loyalties; there are, however, some good British subjects among them.

General Stewart, who unfortunately suffers from a severe impediment in his speech which makes it extremely difficult to understand, stated that the Americans were piling arms and aircraft into Formosa. Hayter said that he gained the impression while he was in the States that the Americans were confident about the position in Formosa, for no very particular reason. They did not seem to envisage the possibility that Chiang Kai Shek might, if is suited him, sell out completely, or that large factions in Formosa might opt for joining the Communists. The whole of the Chinese Nationalist Air Force is based on Formosa at the moment.

Hayter gave the meeting some account of his visit to the United States. He had taken up the question of

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Hayter had conversations with the O.P.C. (Office of Policy Co-ordination), which is the "cold" war department and the opposite number of I.R.D. in this country. The head of it is a man called Wizener (?). Of all the organisations of this kind in the United States, most of which lack purpose and efficiency. Hayter thought that O.P.C. was an exception. They get their policy from the State Department and the Defence departments and are staffed by representatives from these organisations. They are a part of C.I.A., but the State Department has the right of veto. The present policy is to foster national communism, with a view to causing splits and as a stepping stone towards disintegration. So far this policy has not been implemented to any degree and most of the plans are rather in embryo.

Hayter mentioned that the unpopularity of Lewis Johnston is unrivalled by any other representative of the present Government. He seems to be disliked by everybody and this is a matter of general discussion not only by Government officials amongst themselves, but

also with foreigners.

A.C.A.S.(I) mentioned that the airman defector in Sweden had some quite useful information. The Swedes are apparently embarrassed and do not want to keep him. The Air Ministry suggested that he should go to Germany and it was agreed by the Committee that they should collaborate in this matter with S.I.S.

Jack Easton mentioned that the S.D.E.C. are anxious for an exchange of J.I.B. information for S.O. purposes. They particularly want information about their eastern borders and even about their own country. J.I.B. are already giving topographical information on the British zone in Germany to the French, and they are prepared to meet the French S.O. delegates when they come over next week.

General Dowler, G.O.C. East Africa, called. I gave him a general talk on our work here and overseas. He expressed himself as being thoroughly satisfied with Baskervyle-Glegg and what he was doing. He realised that the Police were to some extent the working tools of the D.S.O. and he clearly thought that in certain respects these tools were a bit blunt.

He asked me about our experience in regard to the pilfering of arms. He was a bit worried about what was going on in East Africa. He did what he could to guard his dumps, but there was a tendency by O.Rs and even by certain officers to sell arms or, more often, ammunition which had in one case reached Aden. He did not seem to mind this so much as the prospect of their getting into the hands of natives locally. The matter had not assumed very large proportions. I said I thought the only method was to tighten up the guards as far as possible and to get the Police to run informants. He seemed to doubt whether the latter were quite up to this.

D.N.I. telephoned to me about an article which had appeared in the Sunday Times under the signature "E.V. BLACKMAN". It was on naval matters and indicated a leakage of a discussion which had taken place at a First Lord level. I think he suspected Dugdale, who is known to be rather thick with Blackman. He was very anxious that the matter should be solved, and I undertook to do what we could.

We had a meeting to discuss Communist reports with C.R.O. and S.I.S. It was agreed that we should not interfere with reports for internal consumption, but where they were given external circulation, it was thought desirable that they should be pruned in some way by ourselves and S.I.S. Apart from this, there might be something to be said for a periodical report on an area basis. We should be putting these views to the J.I.C.

11th June.

A telegram has come in from Malta to say that PASCU is on his way to the U.K.

Oughton came to tell me about the latest on the strike situation in the Docks and on the Railways. We had supplied a note to the Ministry of Labour and to the Home Office for the Cabinet meeting yesterday. Oughton gathered that a decision had been reached to use the military to unload, and there seemed to be a general tendency towards a strong-arm action.

It is interesting to speculate what the Labour Party would have said to the Conservative Party if they had taken such action when they were in power, and it is somewhat paradoxical to find Labour using strong-arm methods against their own kind, who to some extent are protesting against the inefficiencies of nationalisation.

13th June.

At the Directors' meeting to-day we discussed the D.G's memorandum on a new overseas division. We none of us felt that his counter-arguments to our note in answer to his original proposal were valid. We felt that the setting up of such a division would be a mistake, and that the best course would be, at any rate to wait until Kellar returned and had had a chance of putting B.3 on its feet and giving the D.G. what he wanted. It was agreed that we should write a detailed note in answer to the D.G's last memorandum, which we would discuss again on Monday.

I attended a meeting of the Vice Chiefs of Staff to-day, when the Mullards question was discussed.

It was agreed that Wrisberg would explain the position to Mullards, and that what he had to say would go for the other Companies as well. Any ban, therefore, on Philips subsidiaries in this country has been removed, except for Top Secret material and any material in which the Americans have a propietary interest. Goldup will be told that Philips must settle their own problems with the Americans and the countries of Western Union.

Sir Harold Parker, who was present, raised the question of the difficulties that would arise when we started to equip Western Union countries. Wrisberg said that he, Coryton, and Daniels had signed a standardisation agreement with the Americans, both on development and production.

As a result of this a complete impasse with regard to the equipment of Western Union powers was likely to be reached in a very short time. He urged strongly that matters should be thrashed out between the Americans, ourselves, and the Western Union Powers. A propos of this, he said he knew in advance that the American proposal would be, namely, to supply Western Union with all their surplus war stocks - not, in his opinion, a very good idea. He pointed out the present inconsistency of the American attitude. On the one hand they were urging Western Union countries to build up their armament production so that they could be in a position to defend themselves, but on the other hand they were refusing to bring them into the Anglo-American standardisation scheme. There would have to be an answer to this if any progress was going to be made.

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The Vice Chiefs took note.

On the question of security, Wrisberg expressed the view that once a weapon was in production the security issue did not arise. He somewhat modified this view afterwards in discussion with Sir Harold Parker and myself, by agreeing that where the quantity produced was small there might still be a security issue.

In conversation with Parker after the meeting, Wrisberg said that in his view a country could only go into full war production once in fifteen years, unless its whole economy was going to break down completely. If he knew that the Russians were going into full production now, he would take it as a certainty that they would have to go to war within a limited period. The Germans have twice gone into full production, once in 1910 and once in 1934; in each case they had lost the war as they had been outdated by ourselves and America who went into full production much later. I asked him whether he would advance this as a reason for sitting back and doing nothing before the war started. He said "no" - what you want

is to have your plans all carefully laid and your research and development bang up to date. He mentioned that in peace-time equipment of two Divisions was practically breaking the back of this country, and that if there were any question of equipping four at this moment we should certainly go under.

14th June.

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

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Dick and Philip Vickery came to discuss the case of MENON.

MENON, and the latter was fetched over to India to answer the charges, which are three-fold. One is association with the Communists and his undermining of Indian Government policy; two is his dubious relations with one CLEMINSON in certain trade matters, and three his moral relations with members of his female staff. He was very nearly voted out, but the Governor-General at the last moment intervened on his behalf. has considerable data about his malpractices and his Department, but to get positive evidence he would like our assistance. Vickery has told him, however, that it would be improper for us to give it. As an alternative it has been suggested that should see a solicitor and employ a firm of private detectives. We are shepherding him into the hands of Dick Butler.

Hugh Winterborn came in to see me. He is going to work in B.4 when he returns next month. He seems thoroughly pleased with the prospect.

15th June.

locked in for a moment. He is leaving for the United States and Canada on Wednesday. We did not discuss the case of MENON. In view of what we had decided to do, I thought the less said about it the better.

seemed fairly satisfied about the situation in India. He admitted that it had been serious, but felt that things were now under control. They are in a sense, only after latest report is correct the future prospects are none too good. The report in question is one continuous tale of outrages all over India.

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16th June.

I had lunch with Sir Richard Aluwihare, Inspector General of Police, Ceylon. Vickery, Harold Scott, Jackson& Nott-Bower were present.

Aluwihare was interesting about the state of the law in Ceylon. It had really become something of a racket. In the old days when cases were deal with by District Magistrates, justice was dispensed by much more rough and ready methods, but a fair solution was much more easily arrived at. Now, with the full imposition of the British system and the legal niceties and appeals, the man with the most money is likely to win. Aluwihare's idea is to give greater powers to District Magistrates. The fact is that our advanced Western system is not altogether suitable, and that the people are not sufficiently advanced themselves to make the best of it.

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17th June.

A further heresy has crept into the British brief for the Geneva Convention. I asked Kennedy to go over and discuss the matter with Strutt, as a result of which a telegram is being sent to the British representative.

I drew Gardiner's attention to the fact that the Planners' brief for Australia had no reference to security, and suggested that we might put in a note. He agreed. Hollis has undertaken to write it.

I discussed with Dick and John Marriott the case of William Norman EWER. Dick and I felt, and I think John agreed, that as it would be necessary to consult members of the Labour Party before taking any action, the matter was af very considerable delicacy and our action might be misunderstood. Apart from this, it seemed extremely unlikely that EWER either could or would enlighten us about his alleged agents in the Foreign Office, Colonial Office and C.R.O. These so-called agents may well be little more than contacts; in any case, EWER would represent them as such if he were prepared to talk at all. Unfortunately, there is very little on record here to show the political implications of the case and the reasons why no action was taken at the time.

The general belief is that it was thought to be bad politics to have a show-down which might lead to the cry: "Another Zinoviev letter!" I thought we might perhaps try and get a bit clearer on this point by talking to Jane Archer, who handled the matter. There is nobody else here who knows anything about it.

20th June.

At the Directors' meeting to-day we discussed the overseas section, and decided that the best thing would be for Dick and Roger to talk to the D.G. and to suggest to him that owing to the difficulties of staff and the possibility that Kellar's return might provide a solution to the difficulty, to postpone a decision for six months, when the matter could again be reviewed.

We also discussed the possibility of getting assistance for Perfect. Owing to staff difficulties, this could not very well come about until October, when C.I. is to be re-organised and a part of the work transferred to B.I.A. I finally suggested that we might perhaps get Mann down to tide over the period of Perfect's leave. This would, I think, serve a useful purpose in getting Mann acquainted with the work going on among the Police in England.

Perfect is somewhat worried about this proposal, which had been put to him by Horrocks. I told him that we had gone into it very thoroughly and could see no alternative. The fact was that it was no good pulling the bricks away from one section in order to build up another. At the moment the bodies were just not available.

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William Hayter telephoned to say that a telegram had been received from our Charge d'Affaires in Madrid, to the effect that a Madrid newspaper had reported that Sir Percy Sillitoe, Head of the Secret Service - otherwise known as M.I.5, intended to pay a visit to Spain. The Charge d'Affaires wanted to know what he was to say to the Spanish Foreign Office, if questioned about the reasons for this visit.

I told Hayter that the D.G. was on an official visit to Gib, but I could not conceive that he would be conducting any official business in Spain. If he were going to Spain, it would be purely for reasons of sight-seeing. I telephoned him again later to confirm this view, and he agreed that in the circumstances there was really nothing to be done until the D.G's return.

The Foreign Office were evidently worried, as such a report was likely to create a wrong impression. The Spaniards might think we were spying on them, and the Russians would be only too glad to say that we were in league with Franco. Later I sent a telegram informing the D.G. what had happened, in case he should be questioned by reporters on arrival here on Wednesday.

21st June.

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

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22nd June.

At the J.I.C. tp-day Brain mentioned that Bevin had sent for the Chinese Minister and given him a dressing down for the sinking of the motor ship"Anchises" (?) in the mouth of the Yangtse. It appears that it was a Nationalist bomber based on Formosa - some airman evidently lost his head.

I lunched with Price and Thomas, the C.C. and Deputy C.C. of the Cardiff Police. They seemed very satisfied with their tour of the office and are extremely keen about their officers coming here. They said that they had been taking an active interest in Communism and would do anything we wanted them to do.

All the Directors had a meeting with I.P.I. to try and assess their commitments in the light of the new situation in India and Ceylon. We came to the conclusion that owing to the highly specialised nature of the Indian problem and the fact that the situation was still extremely fluid, it would be a mistake to attempt to break up I.P.I. as between B.1.A., B.1.B. and B.3. Vickery gave a very careful survey of their present activities, which he felt should continue. The total staff of I.P.I. is 10, three men and 7 women. If they were integrated, it seems likely that another officer would be required. We thought that it was equally undesirable that I.P.I. records should be merged with those of the General Registry. It appears that I.P.I. secretaries do their own registry work and have acquired considerable expertese in L.Us connection with Indian problems.

Personally I have considerable sympathy with the point of view that expert L.U. is of paramount importance in all intelligence work and that our own registry is somewhat deficient in this respect.

We have had a telegram from Courtenay saying that he thinks may be identical with one a member of the Central Executive Committee of the Australian C.P., whose wife or mistress died round about the date previously mentioned.

Generally speaking, this man seems to fit the bill. It now remains to try and trace out his contacts. This discovery indicates very clearly how important it is to have a framework into which to put a piece of really good information. Had we been faced with a similar problem we should probably have been able to give the answer in half an hour. When Hollis got to Australia, he could not get even a list of the Executive Committee members.

23rd June.

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24th June.

I attended a meeting of the Committee dealing with the affairs of the Geneva Convention. Newsam was in the Chair. As the old D.G. said, we were "entangled in a web of legal technicality", but with the aid of Kennedy I think we have avoided any major snags, although I doubt whether Kennedy himself is wholly satisfied. We shall probably both of us get a pasting from Hill when he returns on Monday for having "sold the pass" on this most important but extremely dreary subject!

I discussed with Cohen of the Colonial Office the question of recruiting lecturers to go to West Africa drawn from the Oxford Delegacy for Inter-Mural Studies. He explained to me that this matter had in fact been worrying the Colonial Office for some time and that they were extremely anxious to get it right. Discussions had already taken place with certain people at Oxford, and arrangements had been made by which a kind of unofficial committee would in the first place express an opinion on any candidates put forward by the Delegacy. At the same time, Cohen was very anxious that they should all be subsequently vetted by ourselves.

I raised the question of general suitability, and in particular the case of I said that I doubted if it were possible to make much distinction between Communists and Left Wing Marxians when it came to the question of teaching coloured people; there was practically no difference in the ultimate aims, except that one Party wished to obtain their ends by revolutionary means and the other by evolutionary means. The effect of either could only be to make the natives anxious to run before they could walk, with disastrous consequences to themselves and to the British Government.

Cohen said that the real choice was between sending them teachers whose political views coincided with those of the Government, or sending them no teachers at all.

In the case of , I gather that the matter hasbeen referred back to the headmaster of the school where he is now teaching.

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27th June.

Dick Butler came to see me about Krishna MENON. He things that there are certain lines that he will be able to pursue and he has asked me to get the assistance of Burt. I told the D.G. about the proposal at his meeting to-day and obtained his approval to the course of action taken. I also told the D.G. about my discussions with Cohen.

Dick has had a conversation with the D.G., as a result of which he proposes to drop the overseas section until we have had an opportunity of seeing whether Kellar'sreturn meets his requirements.

I had a long talk with James Robertson about FINGAL. I said that if he wanted my support I would be quite prepared to see FINGAL. I had studied his last report, where he had an extraordinary interview with . The position as I saw it was that had got sudden feelings of remorse that she was leading astray a person with whom she had established a genuine friendship. She saw the moment when she might be breaking up his whole innocent family life; she wanted to be frank with him and come to the point, but she could not bring herself to do so for two reasons. Firstly, she did not wish to run the risk of these friendly relationships being broken off, and secondly, she feared a violent reaction which might place her in jeopardy. I thought, therefore that it might be worth while considering whether there was any other way in which we could ease her path in coming to the point. I wondered, too, whether she might not be a little suspicious that he had not reacted more forcibly to her secretive attitude inrelation to their meetings. It seemed to me that he might well have said "What is all this about. Why should I be so careful about this , that and the other?".

I am quite sure that FINGAL will have a complete answer to all this, as he seems to have almost uncanny intuition in his relationships.

28th June.

For the D.G. Meeting held to-day see folder in D.D.G. Secfetary's tray.

I discussed with Marriott and Cumming the case of _____, a potential Russial defector in Berlin who is a member of the Russian Naval Academy and has considerable expert knowledge about the Russian naval programme.

This man has been approached through two cut-outs. The matter has reached the stage where _____ has asked the nature of the work on which he would be employed if he defected, and his place of employment. We all feel that this savours somewhat of the double-agent. Nevertheless, the Navy are very keen to get him if possible. The sum to be offered is to be discussed at the J.I.C. to-morrow.

We do not intend to oppose the project, but are recommending that he should be told that endeavours would be made to obtain him employment suitable to his attainments and linguistic capabilities, and subject to the normal security safeguards.

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I told the Committee that we were proposing in the course of the next few days to pump the Czech Assistant Military and Air Attache, SROM, a Lieutenant-Colonel, who is giving assignments to an agent. These assignments related principally to air matters. Hayter had previously told me that our proposed action had the approval of the Foreign Office, but was anxious that I should clear it at the meeting with the Services. No objections were raised. S.I.S. have been informed.

Brain spoke to me after the meeting about the last batch of Hong Kong documents. There is apparently a feeling in the Foreign Office that we have been holding them up. I said that I would give him chapter and verse, but that the rumour was incorrect. There had, of course, been delays in the first instance, due to difficulties with the Hong Kong Police and lack of staff. The bulk of the documents was considerable and the sorting and translation of them was bound to take time. As soon, however, as we got the documents they were distributed in Hong Kong and sent immediately to S.I.F.E., who distributed them locally to the J.I.C., including the Foreign Office representative. They were then sent on here and distributed immediately to the Foreign Office and the three Services.

The particular document which I think had excited the Foreign Office was one which envisaged the separation of the currency of the Hong Kong - Shanghai Bank in South China.

General indications with regard to Hong Kong are that the Communists are likely to go slow, since a complete dislocation of the entrepol trade would have very serious consequences on the economic situation in China.

I went and saw Burt and told him the story of MENON, and Dick Butler. I suggested that Burt might be able to help Butler by giving him certain leads with regard to CLEMINSON who has a criminal record. Burt expressed his willingness to do this and an appointment was made with Butler.

I saw Sir Frank Newsam to-day in order to discuss with him my letter regarding Warrants to cover correspondence going to and emanating from an individual. He has agreed that in cases where we consider it necessary we can put forward Warrants to cover both correspondence to and emanating from an individual. He hopes that the number of such Warrants will be limited and confined as far as possible to foreigners.

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I pointed out that there might be cases where we applied for a Warrant in the ordinary way and at some future date might wish to cover correspondence emanating from the individual concerned. It was agreed that in that eventuality we would cancel the old Warrant and submit a new one to cover correspondence addressed to and emanating from the individual.

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30th June.

I have had several long talks with Alec Kellar about his experiences in S.I.F.E. He feels that things are at last beginning to move in the right direction and that our stock in the area is much improved. He spoke well of all the officers with the exception of and He does not feel that has sufficient drive or intelligence sense, and his wife is of course a distinct disadvantage. has no very special qualifications. As an intelligence officer he seems to find difficulty in getting on with people.

I talked to Kellar about our responsibilities with regard to other stations. It seemed to me that it was important that we should do all we could to check up on undesirables from the Colonies who visit this country, even though they might not be Communists. On the other hand, we should not go too far in this direction. If, however, they were people who were likely to cause disaffection, there was in my view justification for investigating their contacts here. If we did not do this we somewhat impaired the position of our D.S.O. vis a vis his Governor. I cited to him the recent case of Uganda, where the Governor is embarrassed by the unchecked activities of MULUMBA and MUSAZI in London which are having a deplorable effect on the population.

4th July.

The D.G. has seen the Prime Minister, who wants him to go to Hong Kong. The P.M. is writing to the Secretary of State for the Colonies, telling him to inform the Governor that the D.G. is going out on his behalf and will be reporting to him on his return.

The D.G. gave an account of his meeting with the P.M. at the meeting to-day. In addition to discussing Hong Kong, he told him about our latest information with regard to strikes and also about the case of SROM, the Czech Assistant Military and Air Attache, who was questioned by the Police, having been arrested with certain documents in his hand. Special Branch and the Watchers had appeared at the rendezvous; SROM had indicated to the informant that he should proceed to Richmond. From there all concerned proceeded to Richmond Park, where SROM sat down to listen to the band. The Police came up behind him and as the informant gave him the documents they put their hand on his shoulder. He protested about his diplomatic status, but the Police asked him to accompany them until they could be satisfied as to his identity. The Foreign Office are now considering the next move.

SROM was subsequently released.

Shawcross has written a letter to the P.M. indicating that there is no co-ordination with regard to Communist matters; He had apparently seen Burt, who could not tell him what was going on in Liverpool in connection with the dockers' strike. He seemed to be searching round for something in the nature of the Zinoviev Letter, which would show that on the direction of Moscow strikes are being started in Canada, Australia and the U.K., with the object of wrecking the Marshall Plan. Mitchell has drafted a reply for the P.M., pointing out that the Security Service is really the focal point for information on these matters, and that information from their sources is closely co-ordinated with that of the Police throughout the country. He was also told that the general picture with regard to the dock strike was fairly clear. The Communist Party had not been involved at the outset, but had since done all they could to give support to the strikers. Although Barrett, the Union Leader, was indirectly encouraging the strikes, he could not do so offically by virtue of his position. As regards directives from Moscow, it is extremely unlikely that any exist, since the days of Zinoviev letters were over and guidance and direction came through the open Press and the radio.

Shawcross sent a somewhat apologetic reply, stating that he was not aware of the organisation which was directed to countering subversive movements, and that he was sorry for having butted in on the Prime Minister's preserves; at the same time, he hoped that if there was any information which showed that the Communists were deliberately inciting people to sabotage the Marshall Plan, he would be prepared to mount a case. In our view this would be impossible unless there was some incitement to a breach of the peace. I shall be seeing the D.P.P. in order to get his opinion and some direction.

5th July.

Motor Exam

M.E. and I went up to see Popkess and his burglar alarm system. We inspected the apparatus with a representative from the firm of Ericksons, whom I think we could have done without. There is no doubt, I think, that the system works and is more or less fool proof as regards false alarms. Popkess has had considerable success with it already and assured us that it had reduced his breaks-in by 43%. The apparatus is not cheap and we shall have to consider very carefully whether it is really worth while installing it in parts of our own building. On the whole it is unlikely that any ordinary burglar would attemtp to enter these premises in the hope of finding dash or other valuables. We are, therefore, protecting ourselves against the possibility that some foreign power will employ a burglar to get at our documents. There is a limited amount of evidence to show that this is at least a possibility - I refer to the two cases where the Soviet Embassy have taken an interest in old lags. We also have the case from GLINT, which shows that a Roumanian courier arrived in France with a bag full of burglar's tools and skeleto n keys. The French in reply to Roumanian protests admitted that a mistake had occurred in examining the courier's bag, but that nevertheless they could not quite see why it had been used for the purpose of importing a burglar's outfit.

In discussing communism with Popkess, he expressed a certain desire for either centralising or distributing to all Chief Constables in the district records about Communists. which would enable a quick identification to be made when a man passed from one C.C's area to another. He thought it might be done on a C.P. District basis. I said that the S.B. conferences, which we were organising, should go some way to meet his difficulty and that we here in London had centralised records. We would, however, look into the matter and let him know. It might perhaps be raised at a Chief Constables' conference.

Popkess's Police Force is highly mechanised and is on the whole, I should say, efficient. He was constantly pointing out

to me how other Forces had followed in his wake, but generally about ten years behind! He was particularly contemptuous of the Yard, who he thinks - and probably rightly - are in something of a rut.

6th July.

The following statements were made off the record at the J.I.C. to-day.

The Chiefs of Staff want S.O. preparations to be made for the defence of Hong Kong. The Foreign Office and, I imagine, the C.R.O. are opposed to the suggestion.

Cooper, now the J.I.B. representative on the J.I.S. and recently in Singapore, stated that in regard to Item 2 (Intelligence Requirements from United States Sources on China), in conversation with one of the American Attaches he had learned that there would be little chance of getting these requirements made except through Washington. He had also discussed the question of information from Japan. His American colleague had said that MacArthur was inclined to run Japan as a kingdom of his own, and that even Washington had the greatest difficulty in finding out what was going on. He thought, however, that it was desirable that there should be a proper liaison between Tokyo and Singapore, although he did not know quite how this could be brought about. It was suggested that perhaps when General Harding took over from General Ritchie he might make a visit to Tokyo. The change over is likely to take place fairly soon, as General Ritchie has broken his leg.

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There is a long paper examining all sources on Soviet Russia and which is highly critical of S.I.S. It is felt that as we lose our grip on Germany, sources are going to dry up almost completely and that even now we are not in a very strong position to predict a war with Russia.

I suggested to Vickery that possibly might help. He will discuss the matter on return from America, but he is not very optimistic. Very few Hindus are likely to visit Russia, except as members of the Communist Party, since most of the trading is done by the Russian Mission in India and by visiting Russians. He thought there would be more chance of staging something in Pakistan, and that probably this had already been discussed by with on the occasion of the former's recent visit to Karachi.

7th July.

Paling of the D.P.P's office called to see me. He has been asked by Shawcross for an assurance that Special Branch and the Security Service were doing all they could in connection with the dock strike. I explained to Paling the situation as we saw it, and he entirely agreed with me that in the circumstances there was not likely to be any evidence upon which to stage a prosecution.

Hordern came to see me. He had two points: (i) that he would be glad if we could revert to the old system, by which he was sent copies of letters addressed to surrounding Borough Chief Constables.

I said that we would look into this, although there had been an unfortunate incident when one of our letters to a Borough Chief Constable had been marked "Copy to C.C. Lancs." This had led to a certain amount of trouble. His second point was that one of his officers had been asked by Oughton to disclose an informant's identity. Hordern said he was quite open-minded about this, but that of course there was a strongly-rooted prejudice - and in some ways rightly - against disclosing informants' names. I said I did not think ther could possibly be any sort of general instruction on a matter of this sort, but that I could conceive occasions when disclosure of a name would be of value both to him and to us. On his side we might ascertain that his informant was in difficulties with the Party: we should then be able to give him a warning. On our side, if we knew an informant's identity, we might be able to suggest ways in which he could be used to our advantage outside his own area. Hordern readily understood t is, and I am sure that in any individual case he would be ready to meet us. It is, however, difficult for him to issue a general instruction that Police informants are to be disclosed to M.I.5.

Graham was present at the interview.

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11th July.

The D.G. visited the P.M., who was anxious to know why he was going to Hong Kong. The D.G. explained all the circumstances and said that he personally thought that the matter could be settled by Johnson, if he had the proper backing. The P.M., however, clearly wanted the D.G. to go and has written a letter to the Secretary of State for the Colonies, in which he instructs him to inform the Governor that the D.G. is going out with the P.M's approval and that he will report to the P.M. on his return.

I lunched with van Moyland and he gave me his new credentials, which establish him as liaison officer with the Department of Justice, detached from the Embassy.

We had a meeting with S.I.S. to consider collaboration in war. S.I.S. had put up a cookshy paper, which we are going to study. By and large, I think we are in agreement with its terms. We all think that the S.C.I. units in any future war should be joint units.

12th July

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

14th July.

The D.G. and Michael Serpell left for Hong Kong to-day.

15th July.

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At the J.I.C. to-day Sir Frederick Shedden gave, to a large extent, a repetition of his discussion with the Chiefs of Staff (recorded at 150a in SF. 53/24/4). The progress of the J.I.B. had been slow, owing to the procedure in Australia for recruiting civil servants. Nevertheless, it was beginning to produce results. Kenneth Strong expressed appreciation of the work that was being done.

Sir Frederick had been shocked by the ideas that existed in the United States in regard to members of the present Government, and even Mr. Chifley himself. Quite prominent people had drawn him aside and asked him confidentially whether he thought that Mr. Chifley was working for the Communists! He had gained the impression that the United States Government were waiting for the General Election in Australia before coming to a decision about the removal of the present embargo.

After the meeting Hayter cleared the room. He said that there had been a most unfortunate meeting of the Defence Committee, which was discussing the Harwood report on future military expenditure, the three Service Ministers, the Foreign Secretary, and the Defence Minister being present. There was a suggestion for an additional expenditure of four-and-a-half million pounds on intelligence. The general attitude was "This is out of the question and what do we get from Intelligence anyway?". Bevin and Alexander seemed to be the leaders in expressing this view.

This was followed by a suggestion that an enquiry should be made into the whole of Service Intelligence, and that M.I.5 & 6 should be included. Hayter had seen the Secretary of State subsequently and had pointed out to him that he got a great deal from Intelligence, and the fact that all the minutes put up to him are based on Intelligence. Naturally he did not see all Intelligence reports; there were far too many of them and he would not have time to digest them. As regards the enquiry, he pointed out that there had recently been an enquiry made by Air Vice Marshal Evill. Hayter left the Secretary of State a copy of the report.

Hayter said that if an enquiry was insisted upon, endeavours were to be made to shepherd it into the hands of Sir Norman Brook.

After the meeting I spoke to about A.V.M. Leask's association with the and the SAMARINS. He said that Leask was a great personal friend of his.

Equally, he seemed to think more or less the same of wife. himself, he thought, was sound. There is also a son, born and bred in this country, who has just joined

and has been posted to Germany - I imagine in view of his language qualifications.

I told that we did not know of anything seriously wrong with any of these people, but that we were aware of the fact that there was a fairly close association between the LEASKS, the and the SAMARINS. He agreed that, in view of the nature of the wives, there might be dangers and he would seek an opportunity to say a word to LEASK. I said that we did not wish to be brought into the matter in any way.

Hill and I went to see the D.P.P. regarding Sir Hartley Shawcross's suggestion to the P.M. that a case might be mounted against the Communists if it could be proved that on directions from Moscow they were deliberately trying to create trouble in the dock strikes in order to wreck the Marshall Plan.

The D.P.P. agreed with us that there was no possibility of a prosecution unless there was definite evidence of an incitement to cause a breach of the peace. We said, however, that if we did ever have anything from a useable source which showed that there had been incitement to commit a breach of the peace, we would let him have it.

Shawcross clearly seems to be looking for something in the nature of a Zinoviev letter. Such things do not, of course, now exist, and information is passed through the open Press and the radio.

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16th July.

Burgess telephoned to me to say that there had been a proposal to close down the China News Agency. He had said that he did not think there was any possibility of doing this unless it was inciting people to acts of violence. He wanted my confirmation. I said that that would be my view.

He then apologised for having been responsible for the trouble about the Chinese documents from Hong Kong, which indicated that the Chinese might attempt to eliminate the currency of the Hong Kong Shanghai Bank in Southern China. He fully realised that the fault lay entirely with the Foreign Office representatives in Singapore, who had had a copy of the document at the earliest possible moment.

I explained to Burgess the difficulties which we were encountering in Hong Kong vis a vis the Police.

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18th July.

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

HOOPER has written me a letter in which he makes it clear that he is re-establishing contact with PIECK in Holland. PIECK had intimated to him that he had approached his old masters, but that so far they had ignored him. HOOPER rather doubts this, he says that PIECK is very well in in Dutch Foreign Office circles; that he has a scheme for starting exhibitions in various countries, and that evidently he wants HOOPER's services. HOOPER thinks this is all a cover for Soviet espionage and wants us to re-employ him. I have replied that we have gone into this matter, but regret that we cannot offer him re-employment. In the meantime, I have sent the documents to Vivian.

I attended a meeting of the Vice Chiefs of Staff to-day, when I covered most of the ground in our paper on sabotage.

Before the meeting Heneage said that he thought our paper gave a complete answer, and apologised for a misapprehension about the resources of this office directed to the subject of sabotage.

V.C.N.S., who was in the chair, was still, I think, a little bit sceptical. He said that he envisaged in time of war a situation when there would be a large number of acts of sabotage and he felt it desirable that those who would be engaged in counter sabotage activities (as far as I could make out, he had in mind those of the Services who would be guarding V.Ps) should be earmarked and receive instruction.

I said that if the Services like to nominate people, we should be very ready to give them a course of instruction, although it could not at this moment be based on any concrete knowledge of Russian intentions and methods. I did not think any useful purpose would be served now by sending out large numbers of people to factories to give instruction to the managements. We had found it extremely difficult during the war to maintain enthusiasm on the subject of security unless we could give concrete examples. As these examples had always to be based on what had happened to countries other than the U.K., enthusiasm was apt to flag. Nevertheless, we had it in mind to give some instruction, by getting those concerned down to London or talking to them on a regional basis, as soon as we were clear in regard to the classification of V.Ps. Apart from this, we had a programme for crippling the Communist Party at the outbreak of any war by the arrest of its executives, and by eliminating

from V.Ps any members of the Party who were in a position to cause damage. For the reasons stated in our paper, we did not think that the Communist Party was likely to embark on a sabotage policy in peace time.

Gerald Templer joined the meeting rather late and was asked for his views. He said that he had had a good deal to do with M.I.5. and that he had complete confidence in the organisation as long as they were given all they asked for.

I had a long talk with the D.M.O. afterwards. I asked him if he was satisfied. He said he was completely satisfied; his only concern was that considerable demands might be made upon operational personnel in time of war, and he was anxious, therefore, that guard duties, etc. might be carried, as far as possible, by personnel of the W.D.C., or other suitable bodies. He thought that when key points had been finally classified, there might be some value in getting managements to appoint security officers and to give these officers some sort of plan and instructions to work on.

There is no doubt in my mind that the Navy are the moving spirit in the proposals put forward by the Vice Chiefs, and that a suspicion still lurks in their minds that the various incidents which have occurred during the last few months are to be laid at the door of the Communists.

Perfect came to tell me about the Channel Islands. Communism in Jersey is very much at a discount, and the speakers are liable to get rotten tomatoes - of which there is a plentiful supply in the Island - thrown at them. Piratin's visit was a complete failure and he did not even get a hearing.

The Police are under the Mayor, who is a kind of Honorary Constable, but there are two members of the Force of fifty who work direct to the Attorney General on our affairs. On the whole, the arrangement seems satisfactory.

In Guernsey there is an organised police force with a Chief Constable.

The immigration authorities have a difficult job, but seem to be alive. The open door is Alderney,-whence you can go in a fishing boat to the mainland of France without difficulty. It would be fairly easy to employ this method for illegal entry, since once in the Islands there is no further check in the U.K., either at Southampton, Weymouth or Northolt.

19th July.

Burt came to see me this morning. I showed him the file of Michael CARRITT, who has written to Special Branch claiming disassociation from the Communist Party and wishing to clear himself. Our records show that CARRITT has been in financial difficulties and that, frankly, his job in the Party does not pay. He has been trying to get outside journalistic work with the Satellites and now has some employment with the Anglo-Polish Society. There is nothing in our files to indicate that he has resigned. On the whole I am inclined to think that he does not wish to face up to resignation, but that for financial reasons he will gradually slip out of Party activity. He knows that S.B. will have his name on record and evidently thinks that if he cannot clear himself they may be a spoke in his wheel.

Burt is going to see CARRITT and try and clear up the position. He is quite ready for us to see him if we want to.

I told Burt about our troubles with the Attorney General. He entirely agreed with our view that no Zinoviev letter would be forthcoming.

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

Graham brought Houston-Boswall, our Minister in Beirut, to see me.

The Lebanese have now asked for a Police Officer, which is satisfactory. Houston-Boswall is an amusing character and I should say just the man to handle Orientals.

20th July.

I saw Mr. Harrison, Attorney-General of Jersey, who had been very co-operative on the occasion of Perfect's visit to the Island. He seems a sensible person and will arrange for his S.B. officer to visit us on a suitable occasion.

At the J.I.C. to-day, Brain mentioned that Kelly, our Minister in Moscow, had had a fairly congenial meeting with Joe Stalin, who seemed to be in good health. Kelly said that

his predecessor seemed to have been mainly concerned with wrangling about trivialities, and that he hoped that during his period of office he would have an opportunity of discussing politics on a somewhat wider basis, if Joe did not dissent.

The Atlantic Pact came up. Kelly said that it was purely a security pact with no agressive intentions and not directed against anyone in particular. After all, the Russians had a similar pact with satellite states. Joe replied that his pact with the satellite states was directed solely against Germany.

There appeared to be nothing more in the conversation of significance.

I had a talk afterwards with Val Boucher

He said that there was some suggestion that an approach might be made to the Americans, by way of ascertaining what their attitude would be if the Irish, in the matter of courses and equipment, turned to the U.S. He said he thought it would be useful to know this as it might strengthen our hand in any future dealings with the Irish if we knew that the Americans, if approached, would not be prepared to entertain such proposals.

I said that it might be useful to know this. On the other hand, we might be putting ideas into the Americans' heads. It seemed to me that it would be a pity if the Irish were allowed to fall into the hands of the Americans on the question of armaments, since they would clearly become the victims of Irish-American propaganda.

I told Boucher that I was convinced that the decision of the Irish Government to stop their Service representatives from attending Staff courses in this country had been reached purely on political grounds. It was clear from what Laithwaite had told me that at this moment they were terrified that any associations that they might have with the British Government might be used against them by the Opposition.

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I lunched with van Moyland.

I saw Mr. Collier of the Historical Section of the Cabinet Office to-day. He is anxious to include something about the work of the Security Service in his work on the defence of the U.K.

I explained to him that it would be difficult to do this and make sense without telling the whole story. I had found this same difficulty in lecturing to the I.D.C. and had eventually obtained permission to "take the lid off" completely. I then gave him a brief outline of what had happened. The basic factor was that we had succeeded in running the German Intelligence Service in this country from the outbreak of war until the armistice, and that this, coupled with security measures which gave the outward appearance of being 100% - but were in fact only about 25% - had enabled us to keep this country clean of enemy agents and to provide an important weapon for deception in the Battle of Normandy.

Collier had been sceptical at the outset about our desire to avoid any publicity, but on hearing this he readily agreed with me that any mention of our organisation, if it were to be consistent with security, could only be misleading.

I said that if there were any points within our field which were troubling him, either Dick White or myself would be very ready to give him the background, if it were in our power to do so. This might, in certain respects, save him from doing a lot of unnecessary work.

I told him that he was perfectly at liberty to discuss this problem with John Gwyer, and that he could tell Professor Butler that he had satisfied himself that an account of the work of the Security Service in the history of the war could only be made by the disclosure of vital information. If Professor Butler needed to be satisfied on this point, he could refer him to me.

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21st July.

Dick Butler came to see me. He told me about the extent of his enquiries in the case of MENON. He had approached a certain Dr. Kaul in this country who was heading a campaign against MENON and obviously had a good deal of information, some of which had already appeared in the Indian press. Butler took the line that he was acting for a client in India whose name he could not disclose. Under those conditions Kaul was not prepared to go very far.

Sir Marston Logan rang up to-day with two suggestions about Uganda, based on my letter about MULUMBA and MUSAZI.

(i) they had an ex- Under-Secretary for Native Affairs in tow, who could translate African dialects. If we were agreeable, they would arrange for this individual to translate such letters as we might intercept between MULUMBA and Uganda. If they contained any information of importance, it could then be telegraphed either through our D.S.O. or direct to the Governor;

I said that I would look into this.

(ii) The Colonial Office and the Governor were particularly anxious that we should give MULUMBA another period of observation.

I told Marston Logan that we had already done this and that, frankly, we did not think it was profitable; we were therefore reluctant to employ our Watchers on this task. Logan urged very strongly that it would go a long way towards relieving the anxieties of the authorities concerned if we could re-impose observation for a short period, even if the results were negative.

I said that we would endeavour to do this.

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Dick brought me a draft for an inspired P.Q. in the House of Lords on the case of SROM, and a suggested reply.

It seemed to me firstly, that there would very likely be a supplementary question enquiring about what was being done to the Polish refugee who had supplied the information, and that even if this could be got over in the House of Lords, the Press hounds would descend upon S.Y., which would certainly result in complications. Dick and Marriott both thought that in the circumstances it would be better to call the P.Q. off, which was done.

I talked to Thomas about an alleged sabotage case to naval aircraft. He has carried out a thorough investigation, as a result of which the whole thing seems to be due to negligence by a firm supplying oil coolers. They were supposed to have been reconditioned, but it seems unlikely that this was done. There must have been negligence, too, by the Navy in failing to inspect them.

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22nd July. Kabul

At the J.I.C. there was a closed session at which the D.M.I. said that his M.A. in Korbal (?) was on very friendly terms with the Afghan Minister of Defence. He wanted the backing of the J.I.C. to allow his M.A. to sound the ground as to whether the Afghans were getting any information from Russia and, if things looked propitious, whether they would combine with us in any agent-running project. The J.I.C., including 'C', gave its blessing.

In a discussion on security of the new Dominions, it was decided that they should only be given information on the basis of the "need to know" and that even then there might be exceptions. It was agreed that the new Dominions should be told and that this should be done on a high level.

I explained that we were doing what we could to get rid of Krishna MENON.

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Pendred told me after the meeting that Air Vice Marshal Leask was retiring shortly and joining some firm with business interests in Helsinki. He was going to reside there with his wife. Pendred said he intended to warn all concerned.

Greenwood of J.I.B. asked us to see a candidate for Counter-Intelligence, Pakistan, called LEIGH-BENNETT. I arranged with Vickery that this should be done.

23rd July.

He seems to have been much impressed by his visit to the U.S. and Canada, where he was studying federal police methods. He was clearly more impressed by Canada than by the U.S. He obviously thought that there was something much more solid and genuine about the efficiency and prestige of the R.C.M.P. than the advertising methods of the F.B.I.

Courtenay has written two amusing D.Os which gave a vivid picture of the new Security Service in Australia in action.

There is clearly an enormous amount of hit and miss, but some progress is being made. There is no doubt that Courtenay is an unqualified success; he is consulted at almost every turn.

I have got a telegram in from the D.G., in which he says that it has been agreed that the Committee in Hong Kong on Intelligence matters has now been constituted on a formal basis with the Colonial Secretary in the Chair. He is anxious, however, that the G.S.O.1, who is to cover Intelligence activities of the three Services, should be a good man and should be appointed as early as possible.

I have passed this on to the D.M.I.

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25th July.

I saw David Stewart on his return from the Middle East on leave. We ran through the staff and he seemed to think that on the whole they had got an extremely efficient and capable lot. He made one new point in regard to Italy. He thought that something should be done to establish an effective liaison with the appropriate counter-intelligence authorities in Italy. , but he thought that in the same way as we are now in touch with Western Union counter-intelligence bodies, we should be in touch with our opposite numbers in Italy. There is, I think, quite a lot to be said for this,

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Kellar and Badham came to talk to me about MULUMBA. We all agreed that there was little to be got out of direct observation, but that in deference to the wishes of the Governor of Uganda and the Colonial Office we should give him another run for a short period.

At the Directors' meeting we had a long discussion on our overseas organisation. I said that I did not feel that we were altogether clear amongst ourselves as to precisely what the role of our S.L.O. was in each of the Colonies. For example, in West Africa, was "Tin-Eye" purely a liaison officer whose business it was to be constantly on the move and sticking pins into various parts of the map (?), or had he a responsibility for collating intelligence in the area?

My own view was that, firstly, he had to get everyone on the alert and, as far as possible, working together by organising meetings and an exchange of information between the Colonies and with adjacent territories. Secondly, it was his business to know what the indigenous movements were in each of the Colonies, how far they were linked with movements in adjacent foreign territory or as between Colonies in the area, and lastly, whether they were linked with any internationnal organisation outside or with the U.K. To do this, he would have to receive reports from each of the Colonies. Equally, if he were effecting an exchange with the Belgian Congo, the Ivory Coast, and Dakar, it must be for the purpose of the interchange of information whichcertainly in exisiting circumstances would have to be centralised in his office. It seemed to me, therefore, that he must have an office with a considerable number of records. It would not be necessary for him to carry records of indigenous movements, or to send detailed reports about them back to this office. He would, however, have to know something about them and the extent to which they were likely to develop. He should receive from this office as much assistance as possible on methods of investigation, 'C' Division matters, and also on any international movements which might infringe on his territory.

I think these views were on the whole accepted, but I doubt whether anybody had been very clear about them before.

The D.M.I. telephoned to say that I could inform the D.G. that the matter of the G.S.O.1 in Hong Kong was under active consideration, but that no name had yet been selected. I might also add that an official request for the appointment from G.H.Q. FARELF to the War Office would help to expedite things.

Burt telephoned to say that he had heard that Mossy SIMONS had been located in Dublin and he was arranging for his arrest and extradition on the grounds that he had conspired with others to escape.

On the question of MULUMBA, Burt said that he was unable at the moment to spare any officers for observation, owing to the accumulation of work resulting from the dock strike.

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Dick and Graham Mitchell have seen Tizard about BLACKETT and given him quite a lot of information about Peter ASTBURY. Tizard seemed to be quite worried about the position and intended to have another talk with BLACKETT. He quite saw that it would have been embarrassing for us to do so.

26th July.

I saw van Moyland and to-day. We discussed first of all the question of Czech airlines. I said that on the whole I doubted whether it was reasible to take any action, although we were quite satisfied that the Czechs were training their military pilots on their civil airlines. This was in fact a fairly normal practice, which had been carried out by the Germans before the war. It was clear, however, that unless all European countries were to agree that the crews of Czech aircraft should be put on a quota basis - which would certainly have to be reciprocal - little could be done to prevent Czech pilots from getting the experience which they needed. Even if we could get France and the Benelux countries to agree, this would not prevent the Czechs from flying in the Middle East, in satellite countries, and in Scandinavia. If, however, still felt strongly about the matter, it could be discussed at the Special Information Committee which meets every three months.

then mentioned the espionage aspect of this problem. I said that I understood that in Holland foreign aircraft had to fly on certain defined routes, which presumably prevented them from taking photographs of prohibited places. Such restrictions in peacetime in this country were almost impossible, since aircraft were coming into the country from almost every angle, and, on the south coast at any rate, defined air corridors would have to cover the whole area.

then mentioned that on his journey here from Holland he had noticed a Czech who had deliberately taken a photograph of the airfield as the aeroplane was coming down. He wondered what our regulations were. I told him that since the war it was permissable to take photographs - I rather gathered that this was not the case in Holland. I said that this was another matter which could quite well be raised on the S.I.S.

I passed this information on to Dick and asked him whether he felt that the S.I.C. could usefully discuss either of the following points:

(a) the possibility of agreement on measures to curtail the number of Czech pilots operating on their civil airlines, and

(b) regulations regarding photography from the air.

Personally, I doubt whether (a) is either feasible or worth while, and (b) is clearly fraught with every sort of difficulty and would be hard to make effectiye owing to the many possibilities of evasion.

At the D.G's meeting to-day Mitchell stated that he had obtained a concession from the Ministry of Supply and the Admiralty on the question of vetting their existing staffs in outstations, numbering some 146,000. It had been agreed that the Ministry of Supply and the Admiralty would rely on our bringing to their notice the names of any of these individuals who might come up in the course of enquiries. As regards any new intake, they would be subject to the normal vetting procedure.

Kellar mentioned that a number of records, formerly the property of the Palestine Police relating to members of the Stern and Irgun had been sent back here from S.I.M.E. He thought that they should be handed over to the Police, but that the latter should inform us if any terrorist mentioned in these documents turned up in the U.K. It was the duty of the Police to see that they did not commit terrorist acts, but it was our duty, on the basis of information received from all sources, to inform the appropriate authorities regarding any terrorist organisation in this country.

I had a further telegram from the D.G., which I passed on tbethe D.M.I., containing a suggestion that a Brigadier Field, formerly M.A. Nanking, should be given the G.S.O.1 job in Hong Kong. The D.M.I. evidently did not think that this was a good idea. The D.G. referred me to a telegram from the Governor to the Colonial Office which emobdied certain of his proposals.

I had a further discussion with Dick and Hollis about overseas matters, with a view to clarifying our ideas.

Courtenay has written two D.O. letters, in which he gives quite an interesting picture of life in Australia and in the Australian Security Service. Things are still very much on an ad hoc basis, but some progress has been made. Chifley has given authority for telephone checks, but these can only be run rather sparingly and in a somewhat crude fashion. Chifley is jibbing about letter checks.

27th July.

I have had a letter from Gerald Templer, drawing attention to a certain penetration of the British Legion in Hants and Dorset. I have asked Perfect to look into it.

At the J.I.C. to-day I passed on the information which I had received from the D.G. about Hong Kong.

Hollis, Dick and I gave Sir Frederick Shedden lunch, and I had a long discussion with him in the afternoon. He saw several other officers here. He was extremely friendly and, off the record, gave quite an interesting pen-picture of the various personalities in Australia.

To give me an idea of Chifley's attitude to the whole question of Security, he ~~xxdxsaid~~ said that after the D.G. arrived in Australia, Chifley rang him up, when the following conversation took place:

> "Is that you Fred? There is a fellow here with a bloody silly name- Sillitoe. As far as I can make out he is the chief bloody spy - you had better have a look at him and find out what he wants".

There is clearly no love lost between Shedden and Evatt. Shedden fully realises how much harm Evatt's pose as mediator between East and West had done to Australian relations with the United States. The distrust of him, and indeed of the present Government, as a whole in the U.S.A., is more than marked. He doubted whether there would be much improvement until and unless the present Government went out of power. He seemed to think that there was quite a chance that Menzies might come back. He seemed to hope that he would. He was quite enthusiastic in his praise for MacArthur, who he thought had done a good job

in Australia during the war, in spite of a tricky situation. He had always been deferential to Australian wishes. In spite of this, however, there was a period when the Americans were extremely unpopular and this might take some time to live down; their behaviour had not always been as good as it might have been. In spite of his personal feeling for MacArthur, he recognised that the latter was something of a Prima Donna.

There is no doubt that Shedden is extremely well-disposed towards us.

I met Joy for the first time. He has taken over from Halford.

Kellar brought the Governor-designate of Cyprus, Sir Andrew Wright, to see me. He had the organisation explained to him and I told him the general principles on which we work. He was anxious to know just how far AKEL was under Communist control. We explained that there were definitely links with the Communists, particularly those in Greece, but that the association on the Cypriot side seemed to be largely a means to an end.

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28th July.

I had a long discussion with Dick and Alec about overseas matters. There is clearly a divergence of view between them on the future of overseas stations, but to some extent the problem has, I think, been narrowed.

I had a talk with Battersby about a letter from Gerald Templer on Communist penetration in the British Legion. There is no doubt that the Legion has been progressively drawn into the political field, and that the Party have somewhat tardily awakened up to its potentialities as an election target and a field for subversive activities. It is, however, clear that they have not yet made much headway.

I am telling Gerald that the Legion should take active steps now to put its house in order by: (i) the appointment of reliable and active district secretaries, who will see that Communists or fellow travellers are not nominated when

executive posts fall vacant; (ii) that they should ensure that a really sound man is groomed for any vacancy that occurs, and that the right people should turn up at the election meeting, and (iii) that good speakers should be sent down to Branch meetings, who will put grievances in their proper perspective and prevent the Communists from holding the floor. I suggested that he should talk to the President of the Legion on these lines.

I had a talk with Dick about our proposed memorandum for the J.I.C. on the co-ordination of reports on world Communism. We decided to drop the matter and to rely upon closer liaison with the various departments concerned, such as I.R.D., F.O.R.D., C.R.O., Colonial Office, etc.

I has a talk wit Alec and Malcolm Cumming about sending McMillan to Malaya. McMillan cannot spare the time to stay more than a few days in the area; it is therefore necessary that as much of the ground should be cleared as possible so that full use can be made of his expert advice. A major snag has arisen over the payment for his journey. The War Office cannot pay and the Colonial Office cannot pay - so we are being asked to pay.

I had a talk with Cumming and Dick about an approach from the Americans for joint "miking" operations between ourselves and the Americans in the American Embassy. The Americans want to demonstrate to members of the staff the need for security. They wish us to set up one or two ordinary mikes and to put one on the telephone.

It is difficult for us to refuse, and we are therefore giving them the Cumming has informed 'C'.

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29th July.

I attended an extremely rambling meeting of the Defence Transition Committee Working Party, with Cornish of the Home Office in the chair. The purpose was to decide on the shape and form of the H.D.S.E., or the Interdepartmental Committee on Security, in time of war. I was the only person there who had any experience of the H.D.S.E. during the war. We got no further than deciding that we wanted a basic paper on the H.D.S.E. during the last war, and on the functions and duties of any other body dealing with security matters. It was only then that we should reach any decision about the future of the H.D.S.E.

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I talked to Perfect about a scheme put forward by B.1, in which it is suggested that a police officer should be selected from each district and who could act as a channel for communication and co-ordination of information between ourselves and the Police. I think this proposal is fraught with every possible difficulty. In an ideal world it might be all right, but with the Police as we know them I feel certain that it would end in disaster. (i) We should have to ask the Chief Constables of the district to nominate an officer who would be acceptable to them all; one would finally be elected, probably with a few dissident voices, who, even if he got the co-operation of the Chief Constables in the district, it would not follow that he would be able to establish the same relations with the Superintendent and other officers on the working level. Moreover, he might not

be suitable to us, and if he were any good he would have to go for promotion just as he was getting into the stride. The alternative would be to give us somebody who, owing to his poor qualifications was never likely to be promoted at all.

Mann should be regarded as an exception, and it would be little short of a miracle if someone of comparable tact and ability could be produced in each police district.

Apart from all this, we should really be reconstituting Regional Offices, with all the expense that that entails, and I doubt whether either the police or the Home Office would agree, even if the expense could be distributed locally.

There is yet another point, namely, that there is a kind of snobbism in the police which causes them to be proud of their personal relations with M.I.5. The new system proposed would tend to dissolve this mysticism. The only alternative that I can propose to meet the case of Chief Constables who think it advantageous that they should know more about what is going on in the Communist world in surrounding districts, is that a map of the Communist Party districts should be superimposed on the police districts, and that we should send copies of the more important letters affecting a Communist Party district to all the C.Cs concerned.

Burt telephoned to say that he had got General Palmer in his office. I arranged to see Palmer for a moment on Saturday morning. He is only passing through this country on his way to the Continent and had not in fact origianlly intended to touch the U.K.

I talked to the D.M.I. about MacMillan. I suggested that as he had a part interest we should apply to the War Office in the ordinary way for his passage. The D.M.I. said he did not think this would work as MacMillan had already been put up by name as a G.P.O. official going in War Office interests, and this had been turned down under some Regulation. He thought really that the Colonial Office should approach the Treasury.

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30th July.

General Palmer came in for a few minutes. He said that they were making some progress in the security field, and that he was extremely pleased with Simkins, whom he liked

for
personally and/whose knowledge and views on Communist matters he had a great regard.

I arranged that he should have a car to visit Windsor on Sunday.

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2nd August.

Wild looked in for a few moments with John Marriott. We discussed the note on deception in the Middle East which Bill Magan is proposing to send through J.I.C. (M.E.) to the J.I.C. I wondered a little whether it should not come to us for submission to L.C.S. We agreed, however, that as in practice the J.I.C. (M.E.) had been producing the chicken food to keep the D.As running in S.I.M.E., it would be preferable that they should give their approval to the proposal for setting up a L.C.S. officer in the Middle East. It had been arranged that as soon as the paper reach the J.I.C. London, it would be passed direct for consideration by L.C.S.

At the D.G's meeting to-day, which I took, our discussions were devoted entirely to personal problems. The only fact that emerged was that we needed at least half a dozen new officers. I urged Horrocks to arrange another Appointments Board at the earliest possible moment.

I had a word with Kellar and Dick and Hill about the arms traffic. It was agreed that Hill would get out a statement on the present machinery and the responsibilities of this office both for internal and overseas use

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I talked to Alec about the Lebanon. He is doing his best to find a suitable officer to act as adviser to the Lebanese Police.

3rd August.

The D.G. returned to-day. His visit to Hong Kong seems to have achieved the desired object, although he still felt that the whole thing might easily have been done by an authoritative telegram from the Colonial Office. He said that Mackintosh was a typical policeman, but that he knew nothing about S.B. work and that he was hopelessly understaffed and far too complacent about the whole position. They wanted the D.G. to look into his affairs, but the D.G. rightly refused to do so and insisted that this was the job of Johnson. He told Mackintosh that Johnson was an excellent fellow and that he would do well to give him every possible assistance. He hinted, in fact, that if Mackintosh was thinking ultimately of a job on the Colonial Office Police Inspector's staff, he would be well advised to co-operate with Johnson. Johnson had already begun to look into things and was fully aware of the weaknesses of S.B., and indeed of the Police Force as a whole. He and the D.G. warned Festing that if there was any trouble in the leased territories, it would be folly to rely upon the Police, who would be bound to wonder on which side their bread and butter lay.

The D.G. secured the agreement of Mackintosh to hand over any important Communist Party agent to the D.S.O. to run in conjunction with the Police case officer. If Mackintosh keeps his word, this could prove valuable.

4th August.

I had a word with [redacted] who is back from the Middle East. He says that the state of leakage in the Canal Zone from Service sources is extremely bad. A specific case is coming up which, it is to be hoped, may produce some improvement. In [redacted] view, the camp is bristling with Lieut.Colonels and Brigadiers, with all their attendant satellites in the form of G.S.O.1s, 2s and 3s, and so far from wanting more British personnel to take the place of foreigners , the whole staff should be drastically reduced. He doubts whether there will be good security until this has been done.

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I went with James Robertson to see FINGAL and to discuss his case. I think the interview had the desired effect in boosting up FINGAL's morale. Obviously he has been undergoing a great strain, but he seemed in quite good heart when he left us. He was pleased to hear that he had made his mark with Villiers in K.P.I.D.

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I had a meeting on the War Book, when I endeavoured to get some rough idea of the numbers that would be required for our expansion scheme Meanwhile, Horrocks is to closely examine his lists.

9th August.

I attended a meeting at the C.R.O., with Seel in the chair. Others present were Cohen and Trafford Smith from the Colonial Office, and Cox of the Oxford Delegacy. The latter is a friend of Herbert Hart's and I have met him before. Keith of the Welfare Department was there; his job is to look after negro students. He said he had been rather disturbed by our approach to some of his subordinates about the work of his organisation. He was particularly anxious that nothing should be done which would cause negroes to think that the welfare organisation was spying on them. I said that this had not been our object: we merely wanted to know something about his organisation and the way it worked. He said that he would readily give this information, but that he would be glad in future if we would deal solely with him. I told him that he coul get out of his head the idea that M.I.5 were padding about after his protegees: only on very rare occasion would we contemplate anything of the kind, if for no other reason than that we found it a somewhat unprofitable form of investigation.

We then discussed the part played by the Oxford Delegacy in sending teachers to African Colonies. It was clear that the final selection of students was now in the hands of an Inter-Universities Appointments Board, at the head of which was a certain Adam. Cox said that before submitting names to the Colonial Office, Adam used his discretion as to whether any

preliminary vetting enquiry was necessary, and that he was still using HODGKIN, the Communist Secretary of the Oxford Delegacy, in an advisory capacity. Even Cohen was somewhat disturbed at this, and Cox was asked to persuade Adam to refer all cases before any concrete suggestions were made, and also to endeavour to tap Universities other than Oxford; Durham was suggested.

There was a general consciousness that candidates put up by the Oxford Delegacy had not been too good in the past. I mentioned the fact that we had recently heard that in May a certain individual had been in touch with the Communist Party, but that we did not know his identity - all we could say was that he was about to go out to West Africa for a period of three months or so. Cox said that undoubtedly this must be John McCLEAN, about whom we had already warned the Colonial Office. I asked whether it were not possible to send out people who would just teach their subject and not engage in politics either at the Right, Left or Centre. The reply was that when subjects such as political economy and political science were being taught, it was almost impossible to get anybody who was non-partisan.

I do not think that the present arrangements are altogether satisfacto but we shall know in due course, by the people submitted to us for vetting whether there is any improvement in the standard.

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There has been a successful conference on Russian affairs at Oxford. We put up a strong team, who apparently acquitted themselves extremely well, which stood out in strong contrast to others present. E.H. Carr, late of the Times, and also Borodin, gave talks. Outstanding on our side on Far Eastern matters was MacDonald. Guy Burgess was there from the Foreign Office, but was not nearly so good.

The Overseas Division has again been raised and the D.G. has asked that we should give him a final answer to his last minute. He said that he had spoken tentatively to Bridges on the subject.

A serious case has blown up in regard to atomic energy. ULTRA material from Washington shows that one of the British team working in America in 1944 and, I think, 1945, was giving information to the Russians. There is not much clue to his identity, except that he had a sister. The suspicion falls on one FUCHS, and to a lesser degree on on PEIERLS, whose cases were looked into here some time ago with negative results. Both FUCHS and PEIERLS had sisters in the U.S. - a mention of FUCHS' sister apparently appears in the diary of the Russian, HALPERIN, who was connected with the GOUZENKO case in Canada. An intensive investigation into the affairs of both FUCHS and PEIERLS is being made, but the problem is by no means an easy one.

Hill tells me that he has scotched PINTO's book. He says, too, that the War Book has now been revised and that this will affect our basic War Book.

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13th September.

At the D.G's meeting to-day, Dick mentioned the policy of the Home Office, who are naturalising Czechs and Poles somewhat light-heartedly. They did not seem to understand that if a Czech was working for the Czech Embassy here, his loyalty was likely to be with the Czech Government rather than with this country. The Home Office still adhere to the view that membership of the Communist Party does not in itself constitute grounds for refusing naturalisation. I do not know how they can reconcile their conscience on this matter, unless they regard the Oath of Allegiance to the King as a mere formality.

Horrocks, Dick, Charles and I had a discussion to-day on the D.G's request about the Overseas Division. We all of us still felt that the proposal was unsound. It was agreed that Dick would put up a first draft dealing as far as possible with all the points raised in the previous correspondence.

14th September.

I spoke to Trafford Smith after the J.I.C. meeting about West African tutors. He agreed with me about the unsatisfactory nature of the present position. He said he thought there was a good deal of confusion of thought at the Colonial Office.

I had a talk with Perfect. I agreed with him that it would be useful if he gave a lecture to officers on police organisation and methods. I also suggested that after we had delivered our lecture to Special Branch meetings on the organisation of the Communist Party, we should suggest that the officer i/c S.B. matters where District Party H.Q were situated might give a talk at a subsequent meeting on the workings in practice of the C.P. Committee in his area. I think this would stimulate S.B. officers to collect their thoughts and make enquiries which would put them more on top of their job. They will be rather on their mettle, as they will not wish to make fools of themselves either to ourselves or to members of other Forces.

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15th September.

Gerald Templer asked me whether there was any objection to his communicating verbally to Fraser, Chairman of the British Legion, the factual evidence in my letter, and recommending, as coming from himself, the various counter-measures suggested.

I said that there was no objection. He subsequently rang me up to say that he had had a very satisfactory interview; that Fraser was not altogether aware of the position, and that he proposed to carry out our suggestions as far as he was able to do so.

I think it would useful if this particular problem could be kept under review. and any further information of importance passed on to Fraser through Templer, who thoroughly understands the delicacy of our position.

Gerald was a little worried by the fact that this information had been lying in our files and that action on it had only been taken as a result of his initiative. I pointed out to him that we were in a delicate position , but that we did normally try and get something done where we had a suitable contact.

I had a meeting with Dick, Kellar and Horrocks on the subject of joint C.E. units in time of war. Agreement has more or less been reached as between ourselves and S.I.S. The only point at issue was the measure of independence which our joint organisation should enjoy. F.J. felt that if it operated directly under a Supreme Commander, it might lose the co-operation of the I(b) staff, who would regard it too much as a private army. There might, therefore, be some advantage in putting it under the I(b) staff, provided this individual was a suitable person. It might be possible to fill the post either from this office or from S.I.S.. This point is to be further discussed.

I had a talk with Alex and Hamblen about the present situation in Hong Kong. It seemed to me that a basic paper from L.I.C., Hong Kong, was called for, and that the problem should be analysed of all the means

short of overt agression, by which the life of the Colony could be paralysed. I envisaged that when the Chinese Communists get down to Hong Kong, they might well urge their supporters in the Colony to embark at the outset on a movement of non-co-operation, involving a withdrawal of labour from the central services or the Police, and from Government offices. As dislocation increased acts of violence and serious disturbances might follow. I thought we should put this forward at the J.I.C. with the agreement, if possible, of the Colonial Office.

I saw Hadow, Superintendent of Police from the Gambia. He seemed to be impressed by Stephens' efforts to get things moving in the Colony. He is to attend a course here next month.

Alderson, the Assistant Chief Constable of Bedford, called. He wanted our advice as to Police action in a case affecting the Vauxhall Works. These works were situated on either side of the main road going to Luton Airport. A certain Communist in the works had taken to holding meetings on the steps of the canteen in the lunch interval, which attracted a large crowd and caused an obstruction. The Company were not anxious to interfere, although the offence was really taking place on their property. The Police were anxious to interfere, but if we thought that the Communists would make capital out of the incident they would refrain from doing so. I said that we were quite prepared to take a chance on this, and that in my view the Police should act in accordance with the law: if an obstruction was being caused, the man should be warned, and if he gave no heed to the warning he should be prosecuted.

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16th September.

Ashmore, the Commissioner of Police for Cyprus, came to see me. I had been previously warned that he resented the presence of our D.S.O., but he did not raise this matter during our conversation. He was at one time our link, and was probably annoyed about having access to the Governor and having reported some months ago that the situation in Cyprus was disquieting. Ashmore, who has lived in the Colony for thirteen years, is not very highly regarded in some quarters. He has only really established a Special Branch since Johnson's visit a short time ago. He is thought to be lazy and complacent; his line is that although there were incidents with bombs some time ago, the Cypriots had not really constituted a menace and could easily be dealt with in any emergency. He has no knowledge of activities outside the Colony, and is inclined to discount them, although on being pressed he had to admit that what happened in Greece had a considerable bearing on the Colony. From what he told me, the present situation is none too happy. The new Governor asked the Mayors of Famagusta, and some other place, to come and see him. They both refused and asked the Governor to come and see them. The Governor has so far declined to do so, because the Town Halls have a large Enosis sign over the doorway.

Colonel Butler, of M.I.2., who has just returned with the Planning Mission from Australia, came to see me. He said that the present proposal is that Indo-China and Siam should remain in the American Zone in any future conflict. He quite understood that S.I.F.E. would probably have to remain in Singapore, and he thought that an increase in our liaison

staff in Australia, and representation on the J.I.C., would probably meet the bill. He told me that he had been down to New Zealand, and that he was considerably shocked by the lack of security. He told his opposite numbers in military circles, and he hopes he brought them to a realisation of their problems in so far as defence planning documents were concerned.

The Foreign Office, after much debating, have decided to employ the services of Geoffrey Gorer in making a physciatric analysis of the Russian character, although with what object in view I cannot imagine! Nor can I see how Gorer can possibly carry out his task. If he is proposing to work on some of the highly neurotic defectors that we have encountered, I cannot really believe that he will be getting a very good cross-section of the Russian people! We have been asked to ascertain whether he is the kind of person who can be suitably approached in this matter.

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19th September.

I had a discussion with Horrocks, Charles, Dick and Roger on overseas matters. Roger had just returned from leave and had certain comments to make, although he agreed basically with our first draft.

Burt has been made a Commander, and I have suggested to the D.G. that we might give him a party. We discussed only staff matters at the D.G. meeting.

I had a meeting with Dick, Graham, Oughton and Perfect on police liaison. It was agreed that, for the time being at any rate, the proposals that the co-operation between this service and police forces in this country ,in the investigation of the British C.P., might be improved by the appointment in each police district of a Police officer as S.B, co-ordinating officer. His function would be the co-ordination of the operations of all S.B. officers within the police district. In addition correspondence between this office and the individual police forces might be canalised through him. While they are undoubtedly sound in themselves, we felt that to introduce them at this moment might get us into deep water.

It was agreed that any scheme for reorganising S.B. meetings on the basis of C.P. districts, rather than Police districts, should be abandoned, but that in talking to S.Bs in districts, account should be taken of the fact that incertain cases they might have an interest in more than one C.P. district.

The problem of keeping surrounding Chief Constables informed of the activities of the District Party Committees which control C.P. activities in their area, remains to some extent unresolved. In the particular case of Hordern, P.L.S. will discuss this matter with Dayson of Lancs. County and Mark of Manchester, to see whether a satisfactory solution can be reached whereby copies of enquiries to Boroughs in Lancashire can be sent to Lancs. County.

It should, I think, be tactfully suggested to Manchester, and if necessary to other Boroughs, that if an enquiry is made about an individual

now known to be residing in Manchester, there may well be records with the Lancs. County Police, who have had a long-established Special Branch, and that therefore we proposed to send copies of certain letters addressed to Boroughs, to C.C. Lancs.

20th September.

I discussed the Irish files with Potter and directed that he should keep all those dealing with our liaison; they show its origin and developme which will certainly be valuable to anybody who is to deal with Ireland in a future crisis. I also directed that a file on S.I.S. and projected S.O.E. activities should be retained: this file indicates the many pitfalls which should be avoided in a future war.

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

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wants me to attend French manoeuvres after the S.I.C. conferenc on the 27th. The manoeuvres are to be in the French zone and there will b a counter-espionage exercise, to be judged by

On Saturday wants me to go to his home at Limoges for a night. I said that I would have to get back by air on Monday morning.

It has now been discovered that both FUCHS and PEIERLS have a sister in the U.S. The bidding is, however, heavily on FUCHS, whose sister's name is in HALPERIN's diary.

I had a talk with Burley about relations between the Home Office and the Foreign Office. I felt very strongly that something should be done to improve them and to bring the Home Office more into the Foreign Office picture. Difficulties in our work constantly arose through the Home Office being unaware of what was going on in the foreign field.

Burley agreed and said that it would be a difficult matter to overcome.

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21st September.

David Stewart is going back to the Middle East. I told him my views about our proposed withdrawal from Beirut and Greece.

At the J.I.C. to-day I put forward a written suggestion about the preparation of a basic paper by the L.I.C. at Hong Kong. This was accepted and supported by the Colonial Office, who requested that the instruction should go out from the Colonial Secretary to the Governor.

Trafford Smith told me that Marston Logan is to be replaced by one, Juxon-Barton. He things that this will be a considerable improvement.. Juxon-Barton is a live wire and will push things around. he is a bit of a character and his manner is apt to be a little brusque. He is a retired Colonial Secretary and is slightly disgruntled because he was not made a Governor.

Brain announced that the Foreign Office representative at Tel Aviv is now ready to receive Service Attaches.

We discussed our overseas paper with B.3 ,and Hollis's amendments. The paper was agreed; it goes down heavily against the creation of a new division.

Dick told me that M.E. is anxious to re-open the case of EWER. He feels that this is warranted by our success in spotting an active agent through a revision of the MONESS case. I said that I thought that before taking any steps,we should try and get hold of somebody who knew EWER personally; we could then get a better idea as to how to make our approach. Dick suggested Muggeridge,oor possibly Philip Jordan.

Our next step will be to decide whether we should say anything in high quarters and whether we should enlist the support of any Minister in speaking to EWER before we tackle him. My own view is that while we might have to say something to the P.M. about our intentions, it would be better to approach EWER on our own level. It would certainly be less embarrassing and he might in consequence be more co-operative.

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22nd September.

I had a meeting with Dick, John Irvine, F.J. and Thomas on our brief for the S.I.C. meeting in Paris on the 27th. The principal matter in which we are concerned is our own sabotage paper. Two of the other papers mainly concern S.I.S., and others relate to the future organisation of S.I.C. in its relations with the Military Defence Organisation. There are suggestions that we should prepare for joint executive action in time of war. Our view is that, owing to the varying conditions and the different laws, and the fact that we shall be subject to the Government of the day, there is little to be done in this field, beyond getting each dher informed as to what action is contemplated.

I gave our memo on overseas matters to the D.G. to-day. I apologised for having taken so long about it, and explained that we had gone into the matter with very great care. Although we were unanimously against the creation of a new division, I hoped he would feel that we had taken this view in honest honest conviction and in no sense with any idea of being obstructive. It went without saying that whatever he decided, we should give him the best service that we could.

I then discussed our recent decision to withdraw from Beirut and Greece. While I agreed that our position there was difficult to justify

on grounds of necessity, rather than desirablity, at this moment, it did not to my mind alter the principle involved in our representation on an overt basis on foreign territory. I was convinced that there were considerable advantages to be derived from a close liaison on the spot between ourselves in touch with the local authorities and the S.I.S. representative. We could often confirm, deny, or develop the S.I.S. information, which they, by reason of their position, were not able to do, even if they had an indirect contact with someone in the Police.

The D.G. agreed with this, but referred to our agreement with S.I.S., which frankly I did not feel had any real bearing on this point. The passag in our agreement to which he referred was the one which gave exclusive rights to S.I.S. to run agents in foreign territory. That was a point on which we were agreed, except in cases whether we both of us felt it was more expedient that we should run an agent.

Dick told me of a new development in the atomic field, which was disclosed confidentially at Friday's meeting of the J.I.C., when the D.G. was present.

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Hill came to talk to me about the Geneva Convention, the final terms of which have now been agreed. The most that we can do is to enter a reservation on a question of interpretation. We discussed various points and came to the conclusion that there was no need for us to enter any reservations. The document was on the whole satisfactory and should not hamper us seriously in any future conflict.

23rd September.

came to see me. He is going out to Basra, where he will effect security liaison with the oil companies, under the direction of

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Ashmore saw the D.G. yesterday and poured out a tale of woe about D.S.O. Cyprus. The D.G. has asked Dick to look into the matter both now and when he goes to the Middle East.

The D.G. told me that Johnson has just returned. There is apparently a good deal of trouble in the police in the Malayan Union , due to Gray's somewhat brusque manner and his tendency to militarise the police. Gurney has made the suggestion that the D.G. should go out to Kuala Lumpur for a month and try and smooth out the difficulties. The D.G. said that he was quite prepared to do this if it were thought that he could be of any use.

There has been a new approach to SHAG by _____ The preliminaries to this meeting are quite fantastic. SHAG is to look out for a chalk Z which will be placed on a telegraph post near his home. Thiswill mean that if he can manage it he is to attend a meeting at that spot at a given hour on the same day. To confirm he will be there, he has to turn the Z into an H. The man meeting him will be smoking a cigarette and have a rubber band on his little finger. SHAG will bring out his snuffbox and take a pinch of snuff - no conversation will pass. The second meeting will take place at a different rendezvous with another person, when the same pantomime will be gone through. The visitor will ask for a light, then offer SHAG a cigaretter, when the latter will reply that he takes snuff. This will be the all-clear for further conversation.

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24th September.

Truman made his announcement last night, which was published in the evening papers, that the Russians now had the atomic bomb. This was a sotry which was given out at the J.I.C. last Friday week under a melodramatic bond of secrecy. Hayter cleared the room of secretaries and then said that if there was anybody present who could not keep what was going to be said to himself, would he kindly leave the room. Trafford Smith, who is not accustomed to this kind of thing, felt gravely embarrassed and wondered what was coming! It was then announced by Perrin of Atomic Energy that the explosion of an atomic bomb had occurred in Russia, it is believed somewhere in the vicinity of Lake Baikal. Apparently for some time both the Americans and ourselves have been doing aerial reconnaissances; the aeroplanes carry a kind of filter which will catch any particles of radio-active substances, which can subsequently be identified. They were patrolling somewhere in the North Pacific in September and obtained particles which have been definitely identified as plutonium. On discovering this, we sent out patrols somewhere in the vicinity of Norway and obtained similar results. It is, I believe, alleged by the scientists that they can more or less date and locate the explosion from these particles, and that the evidence is entirely convincing.

I had always understood that seismographs were being used for this purpose, but I now learn that they have proved unsatisfactory, in that it is almost impossible to distinguish between an atomic explosion and an earthquak I gather that not very long ago we picked up particles which were, in fact, the result of a test bomb in the U.S., about which the U.S. had not informed us. When we told them, they owned up.

There appears still to be some slight doubt as to whether the scientist are right in their conclusions, and even whether all of those most qualified to speak have had the opportunity of examining the evidence. Knowing absolutely nothing about the matter, but with a certain experience of scientists and their tendency to go back on their theories, I cannot help being slightly seeptical about the whole thing.

There followed a discussion within the J.I.C. as to what should be done about informing those most concerned. 'C' seemed to think that only the Chiefs of Staff should be told, under a bond of the utmost secrecy. The D.G. thought that the P.M. ought to be told at once. This was at first shot down, but ultimately supported by Packard and agreed by the Committee. 'C' said that as he had in the first instance obtained the information through his contact with atomic energy in the U.S., he would be prepared to go down to Chequers immediately with Perrin. There were various developments during the following week. 'C' discovered on visiting the P.M. that he had already been in telegraphic communication with Truman, who was

anxious to disclose the information to the American people. We were apparently opposed to this, at any rate until the evidence had been more closely sifted. Perrin told us on Friday that it had been impossible to hold the Americans and that Harwell, including FUCHS and PEIERLS, would now know how the information had been obtained. He thought we might like to know this in case we got any reactions.

Truman, I suppose, was anxious to make political capital out of the event and so bring the Americans to an even great consciousness of the importance of being on the alert and building up Europe. He may be politically right in doing this, but if by any chance it is not true, the Russians will conclude that it is a Machiavellian move to boost and justify rearmament. So far the Russians have not officially claimed to have discovered the atomic bomb, although there was some reference to the matter, I think by Zhdanov, at a meeting of the Cominform some time ago, but this would have been before the explosion actually took place. It is difficult to see how this matter could have been kept secret here for very long, since all J.I.C. basic papers were written on the basis that the Russians would not have the atomic bomb before 1952, or at the earliest 1950; this in spite of the fact that when the Smythe report was published by the Americans in, I think, 1946, it was estimated that any power which had the necessary raw materials and labour capacity should be able to make the bomb in a period of three to five years. The papers will, of course, have to be revise

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Arising out of the discussion at the J.I.C. on the atomic bomb, there seems to have been a suggestion that we should get rid of SAMARIN at once, although exactly why this step should be taken is not clear. There is no more reason for getting rid of SAMARIN than many other Soviet citizens in this country.

Dick saw Victor last night. The latter shares my scepticism about the Russian atomic bomb. He also takes the view very strongly, largely, I think, based on conversations with Duff, that a resurgence of Right Wing parties in Germany is the most serious menace at the moment. He thinks it might well lead a tie-up with the Russians. Winston, I gather, takes a contrary view.

<u>26th September.</u>

I left for Paris with F.J. and Thomas to attend the S.I.C. meeting. met us and we dined with him was very expansiv about Anglo-French relations. He apologised for being so frank, but said that he and others were seriously concerned by the way in which we were drifing apart This applied both in the economic sphere and the sphere of defence. Devaluatio had just taken place and was evidently an extremely sore point; it was not so much that we had devalued, but that we had done so without prior consultation with the French and that our figure of 280 was far too low. He said that there were similar things going on in the economic sphere, for example, the French had to some extent in pre-war days regarded Jugoslavia as one of their trade preserves, but now, in spite of all the machinery that existed for economic

co-operation, the British went ahead and did deals with Tito without prior consultation with the French. Would it not be possible to share things out a bit? In the defence field there was clearly a serious rub between de Lattre de Tassigny and Monty. France saw herself as the central figure of European defence, provided she could be given the necessary assistance and provision of arms. There seemed to be a tendency to withhold the lates types. France had evidently hoped that she and Britain would have gone hand-in-hand to the Americans on these matters, but she now realised that we were more or less joined with them in dictatin to France.

To all this there was very little that I could say, unless I had replied that France, although showing some slight recovery, seemed to be in the same sort of political mess as she was before the war, had a million and a half Communists spread throughout Government Departments and war industries, and 130 Communist Deputies in the House. There was a consequer reluctance both by ourselves-and far more so by the Americans - to put all our eggs in the French basket. We had come more and more to depend financially on America, and indeed had concentrated on getting the American to realise their responsibilities which were bound to increase as the British Empire disintegrated. This meant that in all matters of defence our secrets were so integrated that it was difficult to say what in them was British and what was American. Information and weapons could not, therefore, be released without American concurrence. The Americans were far away, and many of those in Washington who were in control had little understanding of European affairs; they were in consequence inclined to take an extremely rigid view of all matters of security. In some circles it even went so far as to suggest that American secrets should not be developed in Britain, as she might well be overrun before the Americans could come to her assistance. What we are suffering from now is a lack of plans between the urgency of building up Europe to defend herself and the needs of security. At the moment everything seemed to be too heavily weighted on the side of security.

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27th September.

I attended the Conference of the S.I.C. The two important discussions centred round Irvine's retention as full-time Secratary and our paper on sabotage.

The French and the Dutch were anxious to Irvine full-time, and the Chairman rightly remarked that if this was their idea they must define precisely what they expected him to do. Berthaud of the Surete was worried about a plan for integration on an international scale of those bodies represented on the S.I.C. if a war were to break out in the near future. He thought that at least the Committee ought to have a plan. I said that while we agreed in principle, we did not think it possible to make such a plan, unless it was to be normore than a paper scheme, until the integrati of the various Services hadoccurred on a national basis. We ourselves were advancing towards some such scheme, but we did not think that we should have completed our task for another six months. The Dutch said that they had completed their scheme, which, incidentally, was untrue, and manifestly so since the Department of Justice is not even represented on the S.I.C., although they control a large proportion of the forces of law and order in Holland. The French, supported by the Dutch, said that it would be a pity to wait for integration, which might take anything up to two years, and that a useful purpose would be served by Irvine drafting a plan

We had finally, some reluctantly, to agree to this. It may not be a bad

thing, since it may emphasise the importance of integration and demonstrate how impossible it is to make progress until this has been achieved.

As regards our sabotage paper, I sensed a slight note of defeatism. I explained that while that part of the paper which related to action against subversive elements in time of war would naturally vary in the different countries, and be subject to a decision by the Government of the day, I felt that the Committee might find certain of the measures of a preventive capacity for adoption in every country. I explained that we had begun by the classification of vulnerable points, in order to save manpower for external guards and confine it to those places of real importance, and that we were now establishing touch with the various installations and factories to work out a plan for internal protection in time of war. The Dutch, as usual, said that they had already adopted the British line, although they had not made as much progress as they wished. They felt, however, that they would inevitably be overrun in the first fortnight and that the Russians, wishing to use their various installations, would be unlikely to blow them up. The French said that they had a plan, but that it had not progressed very far, and gave the impression that our proposals would be difficult to adopt and presented an enormous task , to which they had so far given little consideration. They seemed to think that the whole question was a military one and that the Government of the day would have to decide when war broke out how they could best dispose of their manpower. The impression given was that they would throw all their forces into the front line and leave their vulnerable points to go up in the air behind them. However, the matter is to be given further study.

We all had lunch with M. Moch, Minister of the Interior, who made a speech giving his blessing to our labours. I talked to him afterwards about Germany, on which he appears to have very strong views. He is quite convinced that the Germans will do exactly what they did after the last war and that it will be necessary to maintain forces of occupation for many years to come.

28th September.

F.J.and Thomas returned to London and I left with for the French zone to attend the manoeuvres. We flew to Saarbrucken in one of the S.D.E.C.E. 'planes and drove from there to a place called Birkenfeld, which was the H.Q. for guests attending the manoeuvres. In charge was a the S.D.E.C.E. representative in the French zone. He had with him several other members of his staff, an American,Captain Greenberg of G-2 American zone, and a Lieut.-Colonel Cunningham-Cave, Intelligence Division, Germany. Everybody was extremely friendly, the food was quite good, but washing and sanitation characteristically bad! There was in fact hardly any water at all, either hot or cold, due to the drought.

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29th September.

gave us a broad idea of the purpose of the operations and of the new scheme for the use of the Services Speciaux. Later we went over to the H.Q. of the Arbitrage where we met who went into furtuer details on the Intelligence side and told us about the progress of the battle He had arranged for us to go on to some spot about 100 km. away where we would see a parachute landing of guerillas. This operation, which took place at dusk, was extremely impressive and was, in fact, conducted by the reservists who had acted as members of "Reception Committees" during the war. The 'plane came over, dropped the ground signals given with torches, and dropped four men from a height of a few hundred feet right on to the target. The 'plane was in touch with a wireless telephone set, provided by

the "Reception Committee". I talked with one of the officers. He said the whole thing was most realistic; he had sat out for hours waiting for parties of this sort during the war and also for supplies. He had many disappointments. Sometimes he would go out ten times before a landing was effected. He was full of praise for the fortitude of the various peasants who assisted in these operations. "You have no idea" he said "how buoyed up they were after a successful landing; they were prepared for another ten failures".

After this operation we dined, some twenty of us, at a local Inn, which had received no warning. We had excellent wine, hors d'oeuvres, steaks,(each portion being more than a week's ration in England!) with potatoes and beans, followed by an enormous jam omelette - when we had finished this the Germans produced another of equal size! About one o'clock we motored another 50km. to a spot where a "pick-up" operation was to take place. The 'plane came over about midnight, but owing to a ground mist they were unable to land. We motored back to Birkenfeldt, which we reached at about 2.30 in the morning, had an enormous meal and went to bed.

30th September.

We started off again at about 9 o'clock, first to Baumholder, the H.Q. of the Arbitrage, and then to the H.Q. of the "Red" Forces, to the north of the Mosul. We met there the British Military Attache and his staff, McNab, and listened to a speech by General Guillaumeon the progress of the operations. The British forces were complimented on their tenacity which in the past had stood France in such good stead. tanks were expected in the area, but did not in fact show up while we were there. (Before the war was in charge of Counter-intelligence at the Deuxieme Bureau and visited us on several occasions. He now commands the Cinquieme Division Blindee. We moved on to Adenau, which was the H.Q. of the commanding General and also that of the Services Speciaux, who gave us an account of their operations. After a cocktail party we proceeded back to Birkenfeld, some 150 k.m., reaching there between two and three in the morning. We again had a large meal and got to bed sometime after three. The operations were concluded that evening.

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1st October.

We went to Baumholder, where we had a summing up on the Intelligence side from and his staff. At four o'clock we returned to Baumholder for the critique, which lasted until 8.45 with one short interval of ten minutes, sitting on extremely hard seats in a very stuffy atmosphere! At leas fifteen Generals spoke, who represented all the various arms of the Service,and the Allies also made speeches, including the British General who emphasised the enormous importance of British officers being able to speak French. Finally, we came to the head of the Academy (?) of Aeronautics, who gave a highly technical dissertation which was just too much for everybody; everyone started to talk to his neighbour and there was a general buzz going on, which made it even more difficult to hear what was being said. Finally, the General said "pour terminer", at which a general gasp of relief went round the hall! There followed only de Lattre de Tassigny who let himself go in a somewhat emotional speech. He came up and spoke to us in the interval; he hinted at the lack of assistance and co-operation with ourselves, which had been mentioned by , on the first evening that I arrived in France. He referred to it as: "Un question tres delicat", about which perhaps he ought not to speak. He then went on to relate his apprehensions about the Germans, and in particular the German youth. At one time had had a young Nazi prisoner; he had released this boy and send him to Heidelberg. He evidently maintained close touch with him

and was appalled by what he was told of the rising generation.

At nine o'clock we got into our car and motored to Baden-Baden, which we reached at 2.30 a.m. to find an enormous meal and Germans dancing attendance at the Bellevue Hotel. This had beem arranged by de Castellaine an extremely nice young British officer who acts as liaison officer for Int. Div. in the French zone and attended the operations.

Baden-Baden is almost untouched. Karlsruhe, through which we went, had clearly had it in a big way.

2nd October.

We went to the aerodrome, but were told that there was no possibility of going to Limoges owing to a breakdown of one of the S.D.E.C.E' 'planes. There was, however, an old Jukers 88,tied up with bits of string, which would take us to Paris. We went to look at this 'plane and saw astride the port engine a technician who was trying to wind it up with a crankshaft. After repeated attempts he sank back exhausted and decided to try the central engine. In this he was more successful and, having generated sufficient electricity. eventually got the port and starboard engines going! had rather wisely decided to go by train, so and I embarked with a number of Services Speciaux reservists who had been taking part in the operations. Two of them had been responsible for the "assassination" of General Malgutie, by capturing an ambulance and driving in in charge of a suspected spy. As soon as they got inside the General's office they pulled out their bombs, and the Arbitrage decided that the General had been "assassinated" and certain members of his staff severely "wounded". Added excietment had been caused at the General's Headquarters by a bogus rumour that de Lattre de Tassigny had arrived. In consequence, everybody was running about trying to brush the last bit of dust off his uniform!

We started off eventually, but after about ten minutes flying it was discovered that the automatic pilot was not working. We descended rather rapidly and for a moment I thought we were going to make a forced landing. Eventually we arrived back at Baden-Baden: the mechanics got busy and we were off again in a quarter of an hour and this time had a successful flight to Le Bourget, where I took leave of who were going down by train to Limoges.

3rd October.

I returned to London by air from Paris.

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4th October.

We had an Appointments Board this afternoon, with a certain number of promising candidates.

5th October.

At to-day's J.I.C. meeting we were told that owing to the recent disclosures about the Russians having discovered the atomic bomb, it was estimated that they might have as many as 250 by 1956-57. This will, of course, throw all J.I.C. appreciations out of date.

I gave the meeting a brief account of my visit to France.

I lunched with Corin, Burt and two Norwegians. One named and the other The former was here during the war and is now head of Intelligence in Norway, and the latter is in business here but acts as an agent for in the interrogation of Masters of Norwegian ships returning from visits to ports behind the iron curtain.

organisation is small and he has not got much in the way of resources. He runs a few agents and for the rest is largely dependent upon the police, with whom there is a good liaison, in spite of the somewha crude methods which they employ when making enquiries on behalf of Intelligence. The Norwegians have no powers of interception unless they make a special case, which has to go before a Magistrate. Although the request can be made in camera, there are sometimes other people on the Bench of somewhat doubtful political reliability - a factor which has to be carefully considered before making an application.

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The Norwegian Communist Party numbers about 17,000, but in a war with Russia where the issue is clear, he would put the hard core at something between 500 and 1500. In the event of war these people would all be arrested at least twenty-four hours before the balloon went up. Steps would also be taken to remove undesirables from vulnerable points, which have been classified. These points would be provided with external tuards from the Norwegian Home Guard, and plans have already been concerted with the managements on matters of internal security. As an additional precaution, agents have been planted at most of these points in order to establish the identity of undesirables.

The Communist Party have apparently a sabotage plan, which not only involves damage to communications and vulnerable points, but also the kidnapping of certain officials. Certain Communists leave the country periodically, it is believed for Berlin, where they receive some sort of training. The Norwegians also have information about two sabotage schools behind the iron curtain, one of which is alleged to be near Leningrad and the other near Warsaw.

Satellite Legations are fairly active, and it is thought that the Russians work mostly through them. The Soviet Legation is engaged largely in collating information obtained from newspapers and technical journals, and from reports which, it is presumed, they receive from certain members of their staff of two hundred who move about the country ostensibly on trade duties. No attempt is apparently made to conceal the fact of a lively connection between certain members of the Communist Party and the Russian Legation. These members visit the Legation quite openly almost every day.

After the lunch with the Norwegians, I spoke to Burt about an S.B. officer attending the S.B. meetings of District 6, and secondly, about our giving lectures to S.B. as we had done to other Police Forces. He personally was in favour of both, but he obviously wanted to sound out Tommy Thompson.on the question of our lecturing to S.B.

I made it quite clear to Burt that we did not wish to appear in the role of "teaching our Grandmother to suck eggs", but that at the same time I thought there might be a number of S.B. officers who would learn something to their advantage in listening to our speakers on the Communist Party, and maybe other subjects. I had listened to some of these lectures myself and had found them extremely interesting.

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A B.J. discloses that the Brazilians got advance information about devaluation. The indications are that the information was imparted by Aneurin Bevan to _____ at the Bank of England, who subsequently leaked. _____ is a notoriously unreliable person who gave us a great deal of trouble during the war.

6th October.

I spoke to the D.G. about the atomic energy leakage. I said that if it was decided to use the Official Secrets Act in a big way, I thought we ought to intervene. The Act was designed primarily for our purposes and if there was any question of its being brought into contempt or debated in the House of Commons, we ought to weigh in.

Vickery tells me that things are hotting up for Krishna MENON. He has complained to Nehru about all the scandal that is going on about himself and threatened to resign. Nehru, I believe, is taking the line that if he feels that way he should relinquish his post, but the matter will probably be deferred until Nehru's visit here, which takes place within the next few days.

7th October.

I had a meeting with S.L.B., D.C., C.2, C.1 and B.1.A. on the question of Vulnerable Points. It has been decided that a list of these points should be given to the Chief Constables according to their areas, and that they should be asked to list members of the C.P. who are employed in these places. There is an A. and B.list; we are not concerned with the A. list, which consists of the factories where secret work is going on - for these cases the list would be made by us

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11th October.

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

Barnett called and was introduced to a number of people in the office and also inspected Mrs. Grist's outfit. He appeared to be much impressed. There is, I think, no doubt that he will give us his full support. This is important, as he will be responsible for all of Saffery's activities. Birchall is going; he will be succeeded by Little, and Barnett will be his Deputy.

12th October.

I gave a lecture to the I.D.C. on the usual lines. I explained that I was covering the war period again, as owing to the interrogation of our opposite numbers we had been able to form a fairly accurate judgement as to the effectiveness or otherwise of the various methods that we had employed.

Vice-Admiral Sir Charles Daniel is the Commandant. I had to answer a good many questions after the lecture which were mainly directed to the activities of the Russians and the Communist Party.

We had a long meeting at Broadway on our joint war planning. We were generally agreed on the setting up of a joint theatre Security Service, which, apart from having access on occasions to

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the Supreme Commander, should work under the Assistant Chief of Staff, G.2, who would also control the I(b) staff. This would ensure that we got the executive assistance that we needed, and would prevent any suggestion that we were operating as a private army. was not entirely in agreement with this - I am certain that he is wrong. We disagreed about the existence of a counter-espionage section in the S.I.S. theatre of organisation. The purpose of this section was apparently to run C.E. agents outside the theatre. Jack Easton made a tremendous point of this, and it was obvious that the S.I.S. planners and the Area Controllers had already put this forward - and, I think, got some measure of agreement from the Military. As Dick explained, there was little point in our having an integrated organisation with S.I.S. to deal with counter-espionage and security, if there was yet another section doing the same thing wholly under S.I.S. auspices; this was bound to create confusion.

My own feeling was that such cases as were suggested by Easton would normally be reported by the S.C.I. units direct to London, and that in any case they would be extremely few and far between.

S.I.S. are to reconsider this matter.

We then went on to discuss integration in S.I.M.E. and S.I.F.E. Easton complained - obviously at the instigation of his Area Controllers - that S.I.M.E. and S.I.F.E. were not producing very much in the way of reports about subversive activities in their area, and that they did not meet S.I.S. requirements. He seemed to have a complete misconception of what S.I.M.E. and S.I.F.E. did. Kellar pointed out to him, in no uncertain terms, that S.I.M.E. and S.I.F.E. were dependent on the one hand on S.I.S., and on the other hand local Police Forces, whom they stimulated to produce intelligence. If intelligence was not forthcoming from these two bodies, there was nothing that S.I.M.E., and S.I.F.E. could collate. S.I.S. had manifestly failed to give us any information of any value about Communist activities in China, or in the Far East, and we, on the other hand, had been having great difficulties with the Malayan and Hong Kong Police organisations, but some progress was now being made.

Easton seemed to think that we ought to produce intelligence on general trends, rather of the kind that he read in special articles in The Times. Kellar pointed out to him that we were not there with that purpose; what we really wanted was detailed intelligence on counter-espionage matters which would enable us to provide the Defence Committee and Commanders-in-Chief with something of an Order of Battle. We could not perform this task unless there was a considerable improvement both in the volume and quality of the information that we received from S.I.S.

There arose out of this talk a feeling that Easton did not really understand what integration meant. He did not seem to realise that we had the task of stimulating both Colonial Police Forces and Police Forces in foreign territory as regards strategic defence importance, and that we also had a great deal fo sell them on the purely security side. Integration can only take place in so far as B. Division matters are concerned. Thus, both the Head and Deputy of S.I.M.E. and S.I.F.E. must always remain Security Service officers. It is to be hoped that Dick White will be able to iron this out when he visits the Middle East and Far East with Jack Easton next month.

Ffoulkes came to see me. He is just returning to Egypt. I asked him what he thought of Jenkins' organisation. He gave me a brief sketch

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of the agents which were being run. He thought that the organisation, on the whole, was useful and could be built up into something better. There was no doubt that we had to pay a lot to the Egyptian Police to be allowed to remain unmolested in Cairo. At the same time, we got some quite useful information from them. C.E. information from S.I.S. reports was practically valueless, and they were clearly employing a number of agents who were MAUVE, if not DEEP PURPLE! We did not see their political information, but they had now been induced to submit their C.E. information to us for vetting before circulation. Both Ffoulkes and Emery believed that if we cease to operate in Egypt, S.I. activities will be cleaned up by the Egyptian Police; they know about their operations, but allow them to go on by virtue of the fact that we pay certain high-ranking Police officials.

13th October.

Ronnie Reed came to see me about the case of Dorothy WOODMAN. He is anxious for her to be interviewed and asked whether she can enlighten us as to the identity of ANDRE @ HARRY II. The matter is somewhat delicate as she is Kingsley Martin's mistress, and also closely associated with a number of Labour M.Ps.

The D.G. has directed that we should approach the Yard and suggest to Howe that he should detail a police officer to conduct the intervidw in conjunction with Skardon.

I had a long discussion with Dick and Alex about the role of our overseas stations. Alec feels very strongly that we should first decide what countries in the area of S.I.M.E. and S.I.F.E. are of strategic importance. This is really a matter for the Defence Committee. We should then consider whether we can: (a) improve the local Security Service, (b) give it C. Division advice, and (c) improve the quality of the information by overt liaison and development on the spot.

It should be on the basis of these three points that we should press S.I.S. for foreign representation. S.I.S. are too inclined to think purely on the lines of collection of information. What we want to do is to build up, for example, the Levant States to a consciousness of their security responsibilities and to improve their general machinery. In this way the flow and quality of the information they supply will be enhanced.

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Michael Burley came to say that he is being transferred to Jeuvenile Delinquency, and that he would be succeeded by an ex-member of the Sudan Civil Service who has had about six months experience in the Home Office. This is certainly unfortunate as Burley has been a great ally and had the advantage of knowing this Department inside out. I said that if he liked I would speak to Newsam, but as he felt that he would have to move sooner or later if he was to get on in the Home Office, it seemed inadvisable to do anything.

14th October.

Breffitt, Chief Constable of Sussex, looked in. He was being given a tour round the office. He is a pleasant person and is prepared to do his best to help us in any he can. It was impressed upon him that Brighton, owing to its District Party Committee, was quite important from our point of view.

There is quite an interesting dispatch in from Sir Brian Robertson, in which he outlines his policy in Germany. He seems to have a very balanced view of the situation and realises the possibility of a resurgence of Right Wing elements, which might in the long run ally themselves with Russia.

As I see the position, now that a Federal Government has been established in Bonn, we are likely within a period of two years, or less, to have lost virtually all control. Everything will follow quite logically after the establishment of a Government; they already want a Gendarmerie, which they must have if they are to be responsible for law and order. They will want the Gendarmerie to be armed, and they already want a Federal Security or Intelligence Bureau to keep them informed of impending trouble, and to indicate how they can use their resources to the best advantage. The democratisation of the Police on the British model is clearly so alien to all German thought that it can hardly last very long. There are already three small nationalist parties who will, before long, get their foot in the door, but in any case it may be accepted as natural that the Germans will use all the powers that are given to them to terminate the occupation and to regain their lost territories. Any other conception would be hopelessly unrealistic. The only chance is to endeavour to harness they into Western Union, although there are clearly going to be difficulties about this, particularly when it comes to questions like the French occupation of the Saar, and the more difficult question of the Ruhr. If the Germans become disillusioned about their prospects in the West, they may well consider an unholy alliance with the Russians, who could play a trump card in offering them a readjustment of the Oder-Neisse line at the expense of the Poles.

We have been asked to supply a Chairman for the Atlantic Pact Security Committee, consisting of ourselves, the Dutch and the Americans, in Washington.

17th October.

I gave a short talk to Police officers from overseas, who have been taking a course in this office. I concentrated on trying to impresa upon them the important relation that security has to investigation.

Sams came to say good-bye. He is retiring, at the age of sixty, with great regrets.

Colonel Fforde, who is attending the overseas course, had a short talk with me. He is now Commissioner of Police in the Gambia. He seems to get on well with Stephens, for whom he clearly has an admiration. He dertainly realises that there is certainly much to be done in the matter of building up the Gambia Police Force. I tried to impress upon him the importance of getting as much ground work as possible on indigenous movements, since although they might not be active in an international sense now, it was highly probable that they might become so in time of war, if not before.

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traces of the man had gone. Leighton had also suggested that the best way of discovering the whereabouts of important members of the C.P., was t keep some check upon their families, either by observation or interception but nothing had been done about this. This being so, I personally do not feel that O'Connell has very much to complain about. Nor do I think that Maxwell and Ferguson are going to improve matters. The fact is that Grey knows nothing about S.B. and intelligence work and would be quite prepared to admit it. He is probably equally certain that there is nobody in his organisation qualified to set up an effective organisation. If there were such a person, he would give him carte blanche and his full backing. A man like Jack Morton, or Macdonald, could get things going in about six weeks, and someone of that calibre is required.

Leighton did not impress me unfavourably, although he is not a very attractive personality.

We gave a party for Burt and Ronnie Howe, the ex-B.5 officers, and Senior Officers here. The whole thing seemed to go with a swing. The party was to celebrate Burt's promotion to Commandant.

19th October.

Viv rang me about MINCEMEAT. There has been a request from the Admiralty for information; they have been asked by the War Graves Commission about MINCEMEAT's next-of-kin. We are, of course, the "next-o kin" as we sent a wreath, but I cannot remember whether any names were put on it.

20th October.

Petrie looked in for a talk.

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I had a discussion with Dick, Haldane Porter and Derek Hamblen about Dick's visit to the Middle and Far East. We agreed generally that integration with S.I.S. could cover only B. Division matters. C. Division matters in the area and in the adjacent countries would have to be the exclusive responsibility of ourselves, and we should have, moreover, to retain the position of Head and Deputy Head of the organisation. I urged Dick not to lose sight of the fact that there was a lot to be said for having our representative in touch with local Police Forces sitting alongside the S.I.S. representative, since only in this way could S.I.S. information be checked and amplified on the spot before it was widely disseminated. It seemed to me to be in the interests of intelligence generally that MAUVE or incomplete reports should be checked at the outset rather than when they came to be integrated in S.I.M.E. and S.I.F.E.

24th October.

I had a long talk with Macdonald about the Malayan Police. He sai that neither in the Malayan Union nor in Singapore had the S.Bs any proper conception of their tasks. Gray did not himself know how to organise a Special Branch, but was receptive of ideas; his trouble was that he had nobody whom he considered really sufficiently competent to organise the show on the right lines. It was a thing that Jack Morton and Macdonald himself could do in the matter of a few weeks, but a good deal of dead wood would have to be cleared out.

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

I attended the Vice Chiefs' meeting to discuss the organisation of security in the Western Zone by the German authorities. Sir John Edelstone admitted that his committee knew very little about the subject; all they really had was General Robertson's telegram, to the terms of which they were asked to agree.

I explained the position very briefly, and so did Dean of the Foreign Office. The Vice Chiefs agreed to approve General Robertson's plan, but said that they would like the views of the J.I.C. I talked to Dean afterwards; he entirely agreed with me that the Public Safety system of decentralised Police Forces was entirely alien to the German conception, and that before very long the Germans were certain to revert to the old system, by which all political matters were run by Section 1a (?) of the German Police at Land level.

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~~25th October.~~

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

The extent to which information on the International Communist Movement is being collated and disseminated, for one reason or another, by a whole host of different bodies, has reached a somewhat critical stage. Something will have to be done to rationalise the position. We did draft a letter to Hayter some time ago, but it was withheld in order to see whether our improved relations with I.R.D. would clarify things. This has not been the case, and we are now proposing to send another letter on slightly different lines.

I went to see Howe and Burt about the case of Dorothy WOODMAN. Howe agreed inprinciple to her interrogation by an officer of S.B. in conjunction with Skardon. It was arranged that the general background of of Dorothy WOODMAN and the modus operandi should be the subject of further discussion between Burt and Skardon.

Howe told me that the Yard were having a spot of bother with Kingsley MARTIN, on account of an article which had appeared in the New Statesman abusing the Police for the part they had played in suppressing disturbances at a Communist meeting. The Home Secretary had switten to Kingsley MARTIN, asking for the name of his informant and suggesting that he should appear at a full enquiry. Kingsley MARTIN was hedging. Meanwhile, Burt had rather cleverly discovered the identity of the informant.

I also discussed with Burt and Howe the two points which I had previously put to Burt about our lecturing to S.B. and S.B. attending District 6 meetings. Burt told me that he had, as requested by me, sounded the ground; it was distinctly unfavourable and there was clearly a feeling that it would be somewhat derogatory for S.B. officers to be lectured on Communism. Burt said that he did not agree, but that I had asked him to find out and he had done so. I said that if this feeling existed, it was much better to forget about the whole thing, although I thought it was regrettable. I said the lectures were extremely good and that I personally had learned quite a lot from them. With regard to District 6, it seemed to me a pity that somebody from S.B. did not meet his colleagues who were working in Police Districts in the Metropolitan Area. We had hoped that he would contribute something to the meeting. Howe was of the opinion that something ought to be done and that the difficulty might be got over by the Commissioner attending the lecture. I did not press the matter and do not expect to hear any more about it.

Roger and Cuthbert Hesketh came to see me about Roger's magnum opus on the GARBO story. It was agreed that at the moment distribution should be limited to L.C.S., S.I.S, and ourselves. The remaining copies would be kept for distribution as and when the occasion arose.

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26th October.

Tolson came to see me at the request of Keith Randal of the Security Section of Int. Div.

Tolson was worried about General Robertson's telegram, which suggested that the Special Branches of the German Police should not in future be used for political purposes. The Security Section had expressed strong views about the retention of these Branches, but Charles Haydon had refused to go back to Robertson. The Security Section wanted the S.Bs retained, for the reason that we are building up S.Bs in the Police in t is country. Firstly, they want them to collect information on the ground locally, and secondly, they want to have a point in the Police where requests by the Lander Bureaux will be received and acted upon with understanding.

I told Tolson that we had not commented on this aspect for two reasons. Firstly, we imagined that General Robertson's telegram had the approval of the Security authorities in Germany, and secondly, we had been asked by Baker of the Home Office to keep Public Safety's decentralised Police Forces clear of political activities. I told him about the meeting with the Vice Chiefs of Staff, and their request that the whole matter should be considered by J.I.C. London. Normally one would have said that th was a matter for J.I.C. Germany - at any rate in the first instance - but it seemed to me that in the present circumstances we might, by having the matter considered in London first, get General Robertson's proposals back on to the right lines. There was, I thought, a loophole for saying that it seemed a great pity that the S.Bs should be allowed to lapse, as they were, i

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our view, an essential part of the whole security machine.

James Robertson came to tell me that FINGAL had written a letter to Martha, telling her that he was resigning from K.P.I.D. as he did not see any prospect there and could not earn enough to keep his family. FINGAL had given James a copy of this letter, with an apology that he had had behaved rather like a schoolboy. James told him quite frankly thathe had, and that it would have been much better if he had told him of his intention beforehand. FINGAL made no bones about it that he had written the letter in order to bring matters to a head, as he did not feel he could go on any longer in K.P.I.D. The whole incident is typical of FINGAL's rather tortuous mind. If he had expressed his feelings openly, there is no doubt that they would have been sympathetically dealt with.

27th October.

Juxon Barton was brought round by Trafford Smith and Marston Logan, whom he is to replace. I gave him a general talk about the office. He seemed quite a likeable character, and I gather from Trafford Smith that he is a live wire, which is more than can be said about old Marston Logan!

The D.G. gave a lunch to who is going back to Washington. The whole thing seems to have been a great success.

I had a talk with Holmes and congratulated him on the letter of appreciation received from the Admiralty about the recent sabotage enquiry which he had conducted on their behalf. He had narrowed the problem down to two individuals who had a grudge against the Captain of the ship, and to relieve their feelings had placed a bomb outside his cabin. It went off, but luckily nobody was hurt.

I had quite a long talk with Mrs. Towndrow and congratulated her on her excellent performance when addressing Scottish Police Forces on the subject of Communism. She seems to have done extremely well and has earned the praise of C.C. Glasgow and all others who were present.

28th October.

Euan Montague came to see me about MINCEMEAT, bringing with him his own personal file, from which it appears that the wreath was sent from "Pam and Dad". "Pam" was his girl friend. We can say that "Pam" is no longer traceable and, if necessary, that "Dad" has died and that we know of no other next-of-kin. We can also say that MINCEMEAT, who was gazetted, was attached to the Marine Corps for Special Duties. This is quite an accepted formula for saying that he was acting as an agent or on a special mission. I think myself that it is better that we should say, at any rate at the outset, that "Dad" is untraceable, otherwise we shall get into difficulties about the date of his death the Death Certificate, and heaven knows what!

I went to see General Browning, who told me he was worried about a man called KIRKLAND BRIDGE who was raising funds for the Navy Comforts Fund and was therefore closely associated with Prince Philip, whom "Boy" Browning now looks after. There was some suggestion, I gather, that Derek Curtis-Bennett thought KIRKLAND BRIDGE's record was a bad one and that it

had been thought during the war that he was using his position to obtain information, and even to transmit it to the enemy. I said that I was quite sure that if he had been doing anything of this kind, I should have remembered it; at the same time, he seemed to be the kind of person who might be financially, or otherwise undesirable. If Browning wished it, I would ask the Police if they had any record. He said that he would be glad if I would do this.

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came over with a draft for the J.I.C. paper on on the Lander Bureaux. It was an extremely verbose and bad production, but we managed to get it on to better lines.

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29th October.

Trafford Smith rang me up about an East African who wanted to visit this country, France and Italy. There was little doubt, owing to his associations, that he was on some sort of Communist mission. The Governor wanted to refuse him a passport. I explained that this was considered here as rather a drastic move, but that of course a passport was not granted as a right but as an act of grace; it could, therefore, be withheld by the Foreign Office. This had rarely been done in the past; the latest example I knew of was MOSLEY. As a half-way house I suggested that his passport might be limited to visit this country. There would, however, be nothing to prevent the man from going to Prague, if he could obtain a visa. Equally, if a passport were refused, he could presumably get here as a stowaway; he could not be prevented from landing if he could prove that he was a British subject.

31st October.

Irvine is back from Washington. He said that things went pretty smoothly as the French delegate was most amenable and had plenipotentiary powers. The Americans, on the whole, were quite reasonable but a bit slow in getting things referred back. A plan has been devised which will impose what is more or less the equivalent of METRIC on each of the Atlantic Pact zones and will be known as COSMIC.

Agreement has been reached about the use of a cipher machine. There will be a permanent Secretariat Commission in Washington to deal with any differences between the zones. When the plan is finally approved, members of the Permanent Commission will be visiting the various zones and looking into the security measures in each individual country which is a party to the Pact.

Hollis should be back by the end of the week.

The D.G. discussed with John Marriott and myself the FUCHS case. The point has been reached where FUCHS himself has come forward and informed Arnold that his father has been offered a Professorship in the Eastern Zone.

Arnold put it to FUCHS that this created a somewhat awkward situation - supposing the Russians got hold of his father, pressure might be exerted on FUCHS to disclose what he knew. FUCHS saw the implications of this and made a somewhat ambiguous statement which might indicate that in certain circumstances, if his father's life were in danger, he might be induced to say more than he should. Meanwhile, an approach has been made to Washington suggesting that FUCHS might be interrogated on the basis of the GLINT material, without disclosing the source.

The D.G's suggestion is that Arnold should have another talk with FUCHS, in which the subject of connection with the Russians should be introduced; he might even be asked whether he had, or had had any connections with them. In my view this needs very careful consideration. What precisely do we want to achieve? I should have thought: (a) that we wanted to get FUCHS out of atomic energy, and (b) that we did not wish to do anything which might encourage him to leave this country and to seek employment in the Eastern Zone of Germany, or in Russia. It seems to me even questionable whether we want him to make a confession: were he to do so he could hardly be allowed to remain in atomic energy and he would clearly feel that there was no future for him either here or in the U.S.A.; the urge would therefore be to go to the Russians. If, on the other hand, on the basis of his statement about his father to Arnold, it were pointed out to him with the deepest regrets that it would be embarrassing both for us and for him if he remained any longer in atomic energy, but that we would do our utmost to find him other suitable employment. This might possibly be the better course.

The D.G. still seemed to think that Arnold should interrogate FUCHS further, and that our real objective was to get evidence for a conviction. I should agree if I felt that such evidence would be forthcoming.

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The D.G. announced at his meeting to-day that he had decided to have an overseas division. It was the view of Bridges that a case for this had been made out. The D.G. said he had considered carefully who should be in charge and while he pointed out to Bridges that he had able officers inthe department, both he and Bridges had felt that some high-powered officer with colonial experience was necessary. Bridges had advised him to consult Lloyd, who had agreed with this view , and Lloyd had suggested, amongst others, Sir John Shaw, late Governor of Trinidad and Colonial Secretary in Palestine. He had seen Sir John Shaw who had accepted the post and would be coming in on January 1st. He had also consulted Bridges about a replacement for Charles on his retirment, and Bridges had decided that this post could be adequately filled by Miss Constant.

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came to see me with a draft on the German Lander Bureaux for the J.I.C. It was extremely badly written and rather muddled. I gave him some headings and he is going to do another draft before he leaves for Germany to-night.

1st November.

At the D.G's meeting to-day Furnival Jones mentioned that the question of Communists in industry had been discussed by the Ministry of Labour with the Joint Council of the T.U.C. Employers Association. Both the T.U.C. and the Employers were of the opinion that it would be a mistake to make any announcement, and that we should continue to act on behalf of the Ministry of Supply or the Admiralty in exercising our rights under the contractual clause. This would mena,in fact,that managers of firms would either have to transfer Communists to other parts of their works, or get rid of them. If there was any trouble as a result of this, the Minister should explain the position to the House, but not otherwise. Neither party was anxious to have a tribunal. The Minister of Labour is going to report these views to the Cabinet.

Mitchell reported that the Communist Party, for the first time in many years, have made overt reference to revolution being a plank in their platform.

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came over with second draft, which was still somewhat unsatisfactory. The trouble is that,although he may have bright ideas, he cannot write. We got Tolson round and have, I think, got the thing more or less into shape.

Kellar talked to me about the overseas division. He is, I think, very disappointed about the job; he feels that it is not only a reflection on him but on all eligible members of the staff whose promotion will be retarded for a period of four years. He will, however, like us all, have to do his best to give Shaw all the assistance that he can. Kellar envisages that it is the D.G's wish that he should handle every aspect of overseas matters, including staff over the whole field, not only of the Colonial stations,but of S.I.M.E. and S.I.F.E. This will, of course, lead to many complications and difficulties which will somehow have to be overcome.

2nd November.

We have received a copy of the German Black List. Cookie is the only person who has been honoured by the inclusion of his name! The list is a strange one, compiled, I should think, from "Who's Who" and a whole host of public documents, and to a small degree from Intelligence sources.

The only importance of the Black List now is that a copy is almost certain to be in the hands of the Russians.

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3rd November.

I attended a meeting of the J.I.C. (O. & S.), when the paper on the setting up of Security Services in Germany was discussed. The Committee more or less agreed with our views about Special Branches, which Hayter thought we could tactfully put across, as the future of these Branches had to some extent been left in the air by General Robertson. It was suggested that if necessary a representative from M.I.5 and M.I.6 should go over to Germany for further discussions.

I went on to the Immigration Officers' Conference, but unfortunately I missed the discussion on Eire. I gathered, however, that at some future date a proposal may be made to the Eire Government for an agreement by which aliens entering this country proceeding to Eire can be deported to the U.K. if found unsatisfactory. Similarly, aliens proceeding to this country from Eire can be deported to Eire if we find them unsatisfactory. As regards the control of the Western Ports, there is a desire to get it abolished, but for Treasury, Ministry of Labour, and Ministry of Food reasons, this is not of course possible at the moment.

Aliens continue to find their way into Northern Ireland from the South, but they do not find much encouragement owing to the Northern labour laws which prevent them from getting employment. They cannot come on to England without going through the controls, but various evasions are possible and prosecutions have taken place against the owners of trawlers or other boats bringing them over illegally.

There followed a discussion about D.Ps, from which it emerged that there were 80,000 Balts, Ukrainians, and Sudeten Germans in this country, who have come in in recent years and have been directed to the mines and other industries. A considerable number of them do not take kindly to the particular employment to which they have been directed. A number have deserted and some of the Ukrainians have even gone to the Soviet Embassy to obtain the necessary documents to return to Russia. It is proposed, therefore, that consideration should be given to a scheme by which all those who have resided here for 2½ years should be free to take up employment where they like. A point arises here in regard to important war industries, into which some of them will inevitably penetrate. These D.Ps remind me very much of the 70,000 enemy aliens, German and Austrian, who were such a headache to us at the outbreak of war. The trouble was that they had all been admitted without much check on their bona fides and nobody knew anything about them. The same thing might well happen with the Balts, Ukrainians, and the Sudeten Germans.

It is, I think, desirable that we should stimulate the Police to do the necessary groundwork on their alien population. There are two

reasons for this. On the one hand we may want them to give us information about these people if they happen to drift into the B.2 net; it would then be important to know exactly what they were doing at some previous date. On the other hand, something should be known about them, otherwise on the outbreak of war the Security Service will again be paralysed by enquiries about an alien potential 5th Column.

I talked to some S.B. officers from the north who are down here for a two-day conference. They seemed very pleased with the lectures which had been given to them, and in particular by one from Max Knight. It is indeed remarkable that we should be thanked by the Police for telling them how to run informants! I warned them about their alien population: we had talked to them mostly about British Communists, but they should not neglect their aliens. We also discussed the identity of informants, and agreement was reached that they would notify us verbally of the names of such informants. I explained to them that we did not wish in any way to pry into their private affairs, but that if we knew the names of these people we might be able to warn the Police that they were not playing straight. Alternatively, we might know that for some reason or other the Party had become suspicious, and it would then be possible for the Police to give their informant better guidance.

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4th November.

I attended the J.I.C. Directors' meeting to-day, when there was a discussion about defectors. I suggested that the problem could only be solved satisfactorily if we had some scheme in the form of a rehabilitation centre for Russian defectors or deserters. It was necessary, first of all, that these people should be thoroughly acquainted with the English language. They could also be given an opportunity for improving their knowledge of any particular trade. There would then be a far better chance of placing them either here or in the Dominions and Colonies. The idea was considered a good one, but, as usual, everybody wanted to know who was going to pay. A report is to go up to the Chiefs of Staff, stressing the importance of defector information and suggesting a rehabilitation centre as the answer to their ultimate disposal.

Paddy Bamford came to tell me that he had heard from Sir William Jenkin that the C.R.O. were up-stage on not being told about defectors. I said that this was really nonsense; matters had not yet reached a stage where a high-level approach to Dominion Governments was considered necessary. When that moment was reached, the C.R.O. would of course be consulted. So far nothing had been done except an approach by S.I.S. in Canada on an intelligence level.

Bamford also told me that Jenkin was quite anxious to join us and take on U'ren's job when he left. Paddy had told him that he did not think that under the changed conditions it would give him sufficient scope. I entirely agree, much as I should like to see him here and to work with him. The arrival of another Knight would be regarded by the staff as one of the last straws!

Coveney came to see me. He is applying for the post of Assistant Chief Constable in the West Riding of Yorkshire, and wondered whether the D.G. or I would give him a recommendation. I said that I would

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certainly mention the matter to the D.G.,and suggested that he might send me a copy of his report on the Malayan Police, which I did not think the D.G. had seen. I made it clear to him, however, that neither the D.G. nor myself could speak outside our personal knowledge, and that in fact if we did so we might well do him more harm than good.

7th November.

Hollis returned. He has laid the foundations of a security organisation under the Atlantic Pact, and laid down the terms of reference for the various committees, three of which will be in Washington and two in London. Roughly, there will be a zonal Metric system, co-ordinated by the Permanent Commission in Washington, consisting of the Americans, the French, and ourselves.

The D.G. has told Hollis about the overseas division. Hollis told me that of course we should do our best to make the system work. He did think, however, that the new Director's functions should be clearly defined. He said, for example, C. Division matters in the Middle East are not satisfactory, would it be his business to go out and endeavour to put them right, or would it be Sir John Shaw's? The D.G. said, emphatically, that it would be Hollis's business and that he did not intend that anyone should interfere with his matters or with Director B's. He would put down on paper, very roughly, what he thought the overseas charter should be.

Malcolm Cumming and Max Knight came to talk to me about a proposal that the latter should interview William Norman EWER about his former espionage activities, and in particular his connections with certain individuals in the Foreign Office. Max, who knew EWER, thought that he could quite easily ask him out to dinner and endeavour to obtain his co-operation. I have told the D.G. about this, who approves.

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came over with a draft for the Chiefs of Staff on German security. I did not think that it really made the point about the Special Branches and suggested certain amendments,which they agreed to make. What emerged more than ever was the appalling ambiguity of General Robertson's letter.

George Jenkin rang me up to say that Laithwaite had had information, emanating, I think, from the North, to the effect that the I.R.A. had told McBride that if he did not get partition abolished within the next twelve months, they would start up their activities again. Laithwaite was inclined to discount this. I said that I regarded it as common form; it seemed to me absolutely inevitable that sooner or later the Irish, supported by the Anti-Partition Leagues, would start letting off bombs in station cloakrooms and putting squibs into pillar boxes. I said that we had no confirmation, but that he really ought to apply to Special Branch, who had quite a good liaison with the Irish Police.

8th November.

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

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Marriott and Martin gave me a sketch of the progress in the FUCHS and PEIRLS case, and also in the Australian case. There were four possibles:

(i) FUCHS

(ii) PEIRLS

(iii) KEARTON

and one other.

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It had ~~not~~ been possible to eliminate KEARTON and the other fairly easily, but considerable enquiries were necessary before it was possible to be satisfied about PEIRLS. One of the few clues was that the suspect had a sister in America who had been a party to the act of espionage. A certain amount is also known about the movements of the suspect. While PEIRLS had a sister, there is no certainty that she was in America at the material time, and his movements did not coincide with what we know of the movements of the suspect. On the other hand, FUCHS's movements do coincide; moreover, his sister is the wife of one Robert HEINEMANN, a Communist Party member who was connected with the SPEED case. It is, therefore, morally certain that FUCHS is the man. The Americans have been asked whether under certain safeguards we can interrogate him. Meanwhile, atomic energy have been asked to state exactly what they want to achieve. It seems fairly definite so far that they are anxious, whatever the outcome of the case, to get FUCHS out of atomic energy. We also discussed the Australian case. Nearly all the characters have been identified, but further progress is slow. There is, however, a hope of another series of messages being uncovered, which may throw a new light on the whole case. Courtenay Young, I gather, is rather in despair at the inadequacy of his investigatory tools.

9th November.

The L.I.C. in Hong Kong have at last produced a memorandum on the internal threat, but it does not conform to the format which we subsequently gave them by telegram. They asked whether we still want a basic paper. I said that I thought they ought to submit a further report, filling in the gaps according to our format, and that in the next appreciation they should follow the format. Meanwhile, we should point out the weaknesses of their last paper. They do not, on their own admission, appear to know very much about the two most importar matters, namely, the extent to which the Trade Unions, the essential services, and the Government machine have been penetrated. Neither do they say anything about counter-measures. Juxon Barton said that the official Colonial Office view was that trouble would not come to Hong Kong through internal disturbances. Privately, he does not agree with this view, which he says is based largely on information supplied by one Baker, who is the labour adviser. He told me that he was trying to get Baker back here on a course, and that he would send him over to us.

I had a further discussion with Marriott and Martin about the FUCHS case. We are still awaiting a letter from atomic energy, which should ma it clear what our objection should be. Meanwhile, Arnold holds the vie that he cannot interrogate FUCHS further without arousing his suspicions. We have a clearance with the F.B.I. to interrogate on the basis of the source material, but this needs further clearance by the local SIGINT authorities.

Sir John Shaw came in to-day and was introduced to us all. He wants me to dine with him.

I spoke to the D.G. about several matters. A suggestion has been made that we should get the Yard to report the time and location when Russian or Satellite C.D. cars are seen. It is just possible that this might put us on to something.

I discussed the draft of a letter to Lloyd, asking that Police Forces in the S.I.F.E. area should be told to limit their liaison with adjacent foreign Police Forces to purely C.I.D. matters, and to keep off Security Intelligence. I do not think that such instructions would be much use unless our Police Forces were in a position to tell foreign Police Forces that they should deal on Security Intelligence matters I suggested that we should send a wire to Dick to discuss this matter and Jack Morton.

I spoke to the D.G. about Coveney. He would be pleased to see him but doubts whether he is the right person to put forward the recommendation, as he cannot speak from first-hand knowledge.

I told the D.G. about a member of the Colonial Office called who had been detected by Money reading top secret Colonial Office documents in the train. The D.G. thought I should speak either to Sir Charles Jeffries or to the Establishment Officer.

James Robertson talked to me about a man called GUNN, who was apparently one of FUCHS's referees when he got his naturalisation. GUNN, who lives somewhere up north, has a strong Left Wing background and during the war his house seems to have been a rendezvous for members of the Austrian Centre. If this was the beginning of FUCHS's career on the downward path, GUNN may merit close investigation.

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10th November.

Graham has got a particularly awkward case relating to a man called METCALFE, who has drifted from the Ministry of Food into the Colonial Office without being vetted. We have now been asked to check him for indoctrination. He sees quite a number of our security reports from overseas. His background is not good, but there is nothing really concrete in his file. We cannot give him a clearance without intensive investigation.

There has been another sabotage case down at Portsmouth. Somebody has been putting bolts into the engines of a submarine. The ship has been under repair and a good many dockhands, in addition to naval ratings, have had access. Holmes is going down to investigate.

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brought his successor. I did not altogether take to him, but he may be all right. It is perhaps too much to expect we should get anybody as understanding and co-operative as

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John Irvine has written his note on the integration of counter-intelligence services in time of war. He was asked to write this at the S.I.C. Conference in Paris. It conforms to our ideas of a Theatre Security Service and makes it clear that in peacetime little can be done beyond having a common format for the order of battle and for files, so that when war starts integration of records will be easier. He also suggests the allocation of personnel.

11th November.

We had quite an interesting morning at the J.I.C. There was first of all a discussion on atomic energy and the revision of estimates. A suggestion was discussed on producing a paper showing the degree of vulnerability of this country.

The D.N.I. was strongly opposed to such a paper, firstly, on the grounds that it would be so depressing that it might induce the Government to reduce their line forces even more than they have done already. Secondly, that the Americans if they saw it would write us off completely, and thirdly, that it would serve no very useful purpose, since the Chiefs of Staff were fully aware that twenty atomic bombs dropped on this country would more or less put it out of action.

Pendred thought that first of all we ought to make some attempt - although on what evidence I do not know - to assess the nature of the targets against which the Russians would be most likely to direct their attention. He was by no means persuaded that they would go for industrial areas; he thought they were more likely to attack docks and troop or ship concentrations.

Hayter felt that we could not evade the issue merely because our report would be depressing or might have undesirable consequences.

After a good deal of "crystal gazing", it was decided that the J.I.S. should have a hot at a first draft.

There was a lightly prickly discussion about the future location of the J.S.T.I.C. Blount had apparently made arrangements with the Ministry of Defence to move to 36 Whitehall within the next month. He had been over these premises and had accepted them on the grounds that he could maintai better contact with scientists there than from Bryanston Square.

Pendred said that he had mentioned this matter to the C.A.S., who had expressed the view that the step should not be taken without reference to the Chiefs of Staff. Blount said that he had not consulted anybody about the move, as he thought it was purely a domestic matter and within his own sphere of action.

Pendred then said that he had heard that there was a possibility of the J.I.B. and J.S.T.I.C. being able to get into some building near Broadway, and that obviously this would be a better solution. Kenneth Strong confirmed this and said that in his view the backing of the Chiefs of Staff for such a proposal, as a matter of urgency, might produce the required result. Blount did not seem too keen about this, as he thought it would only lead to further delays, and that if it did not come off he would have lost the opportunity of moving to 36 Whitehall.

There was general agreement in the Committee that a move of the whole of F.S.T.I.C. and J.I.B. to one building in the vicinity of Westminster would be the best solution if it could be arranged. Hayter asked Blount to write a short note about his proposal to move to 36 Whitehall, for consideration

by the Chiefs of Staff. Most people thought that the way this item had arisen was regrettable.

Charles Peake, who has just arrived from Jugo-Slavia, gave a short talk. He had had an interview, lasting an hour and twenty minutes, with Tito a week or so ago. Tito's room had all the windows bricked up and was lit with fluorescent lighting. This gave him a somewhat peculiar appearance, which at first led Charles Peake to think that his health might be failing. However, on seeing himself in the looking glass, he changed his view!

Tito was apparently in extremely good form and was confident about holding his position. Peake thought that this display of confidence was partly for his benefit and partly for the benefit of Tito and his supporters in boosting their morale.

Tito said that Stalin would not attack him for two reasons. Firstly, it would be the end of Communism, and secondly, he would be afraid of starting a world conflagration. Peake was careful to convey to him that if he were attacked he should not rely on outside help. Tito made it plain that he had taken special precautions to prevent his own troops from committing any act of aggression. He felt that Stalin's efforts to subdue Jugo-Slavia by other means had failed; the Army was loyal, there was no chance of serious internal disturbance, and propaganda was getting nowhere. Tito was inclined to argue from this that in the end the whole thing would die down. He displayed, however, a certain nervousness about Albania and Bulgaria, and clearly did not intend to provoke anything in the nature of trouble on their frontiers. Peake thought, however, that he was concerned about this matter lest the provocation should come from the other side and that Russia might, in certain circumstances, try and intervene.

There is a large Albanian minority in Jugo-Slavia and, indeed, numbers of Albanians with their families, goods, and chattels, are still leaving the country and settling in Jugo-Slavia. Tito does not expect any trouble from these people and seems almost to regard them as an asset. He was asked about Hungary and Roumania. He did not think that either of them would engage in overt agression, and he was confident that if they did they would get all they deserved. He evidently thought that Soviet sabre-rattling was designed to force Jugo-Slavia to keep a number of troops mobilised, who would otherwise be employed on reconstruction work. He admitted that this situation was embarrassing to him, but was not prepared to regard it as being really serious.

Peake said that members of his staff were having no difficulty about travelling the length and breadth of the country, but he was anxious that nothing should be said about this as the journeys were carefully planned and instructions were given not to provoke any incident through over-inquisitiveness. It was difficult to estimate the general feeling in the country. The peasants were, of course, grousing about the Government, but there was nothing particularly significant about this, as it was common form for all peasants to complain about their Governments. There was perhaps, a certain section of junior Government officials who were discontented with the regime; this was largely due to the regulations and a feeling of frustration, owing to shortages which prevented them from getting on with their job. In the Party itself, there was no doubt that the majority were behind Tito; at the same time, there seemed to be a few who were anxious not to burn every boat with Russia in case things might change. There had been an unofficial but significant approach by a member of the Jugo-Slav Government to the Americans, asking what types of arms might be available in the U.S. if a purchase were contemplated. There

is no doubt that the armed forces in Jugo-Slavia are gradually deteriorating; such weapons as they have are becoming obsolete and they must be short of ammunition.

Hayter announced that there would be no question of recognising the Chinese Government before next January, and from what had been said to one of our M.As by his American colleague, American recognition would not be give until much later. Meanwhile, the Americans had informed Chian Kai Shek that they would continue to give him limited support. Deliveries of 200 Mosquitoes from Candda are now complete and there will be no further deliveries, but there are still some 100 B.25s on order from the U.S.A.

I had a meeting with B.3 and B.3.a. on our policy with regard to Jewish terrorists. It seemed to me that the first thing to decide was whether Ministers or other individuals, or British property, either abroad or in this country were still likely to be targets. The view seemed to be that there was still some risk that this might be the case. It followed, therefore, that attempts should still be made to collect information about Jewish terrorist organisations and their agents.

The next point for decision was whether this office or the Police should be the focal point for stimulating enquiries about these organisations or whether it should be a matter for S.I.S. dealing direct with the Police.

My experience was, however, that the Police were much more concerned with individuals than with academic knowledge of the organisations to which they belonged. They were, therefore, unlikely even if the information were given to them to piece it together in a satisfactory manner. They would probably look to us to do this, and so would other Government Departments, if the Irgun and the Stern started to commit outrages. There was a slight difference in the case of Eire, in that only one country was concerned; with the Irgun and Stern, France, Belgium and Italy are certainly involved and probably other countries as well, including the U.K. It seems, therefore, appropriate that we should remain the focal point for the study of Irgun and Stern activities, at any rate for the time being.

B.3. a said they have found the Belgians co-operative, but that little information was forthcoming from the French, probably due to the fact that both Moch, Minister of the Interior, Head of the Surete, were Jews. They wondered whether it would be worth while making any approach through I said that as S.D.E.C.E. and the Surete were at loggerheads, I did not think any good could come of this, nor did I think we should get much through S.I.S. I felt it would be more profitable to make specific requests for information about a particular individual or organisation known to be in France, and possibly to follow this up in direct conversations with the Surete either here or in France. I made it clear that the responsibility for terrorist activities in this country must rest with the Police, and that we were under an obligation to pass them any information about terrorists likely to come to this country.

We also discussed the activities of the Jewish Intelligence organisation. It was agreed that this was a commitment of S.I.M.E., and that in our enquiries here conducted by B.3 we should act as a S.I.M.E. outstation. The activities of the Jewish Communist Party were a matter for S.I.M.E., working in conjunction with B.1.B. and B.1.A.

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The draft of Sir John Shaw's charter is being prepared by Serpell. Alec, who appears to have had some hand in it, says that it is more or less on the lines that he suggested.

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12th November.

Trafford Smith said that Juxon Barton had been poking about and had found some papers, now wholly out of date, indicating that someone had taken exception to Stephens either just before or just after his appointment. Basing himself on this, he was trying to advance the principle that before we send an officer to the Colonies he should be vetted by the Colonial Office. Trafford Smith said that in his view this would be wrong; we must be the judges of the kind of people we sent to our overseas stations. The Colonial Office could only intervene if the man's conduct were found to be unsatisfactory. I said I thought this was right. Trafford Smith said he would damp down Juxon Barton accordingly.

Irvine came to show me his draft for the S.I.C., on the measure of integration of Western Union Security Services which could take place now or in the precautionary stage, or at the outbreak of war. He concludes that nothing more can be done now beyond trying to get some uniformity into personal and subject files which will have to come together in the event of trouble. At the precautionary stage personnel should be earmarked and come into action immediately on the outbreak of war.

14th November.

I attended a meeting of the Chiefs of Staff about the German Land Bureaux and Special Branches. Dean of the Foreign Office and Fulton were also present. It was quite clear that the Chiefs did not really understand their brief; they seemed to think that it would be a good thing if M.I.5 and M.I.6 sent a representative over to discuss the matter with Int. Div. I said that we had no representation in Germany, that we were only indirectly interested, and that the most we could do was to tell them how we run the Security Service here. This we had already done, and it seemed to me that it was largely a matter for Int. Div. to decide how our system could be adapted locally. I doubted whether we could contribute much more. I said that, apart from this, we were rather awkwardly placed at the moment; it would be difficult for me to go as my D.G. was going to Africa this week and the only other senior officer well acquainted with the problem was at the moment in Sydney. This led to a general shaking of heads about too much travelling. It was obviously no good arguing. I could well have said that we were travelling largely at the request of the Chiefs of Staff, who wanted security in the Dominions to be put on a proper footing, and I might also have said that if travelling was the thing that worried them most, why were they pressing to send me on a fruitless mission to Germany. They asked who I was under. I replied the Prime Minister, and they began to consider how an approach could be made. I intervened at once, saying that if the Chiefs of Staff really felt that they wanted a representative of M.I.5 to go to Germany, one would go and that there was no question of our standing on protocol. The meeting was quite friendly.

I gave a lecture to the junior officers on the usual theme, and the relations between investigation and security. They were quite responsive and asked a lot of questions. I also explained to them how our information and advice was fed into the intelligence machine.

15th November.

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

I saw General Browning. I told him that we had nothing against Kirkland BRIDGE and that all the Yard information amounted to was that BRIDGE was a good organiser, knew how to raise funds, but took a good whack out of them for his own expenses and for the entertainment of two secretaries who travelled round with him.

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I had a meeting with D.C., C.2, Martin and James Robertson about the FUCHS case, to try and clear our minds before high-level meeting to-morrow with Atomic Energy. We came to the conclusion that we could not offer to go on with the present investigation indefinitely, which was too expensive, too much of a burden, and too unprofitable if it was to be maintained on the present extensive scale. On the whole I felt it might be better to try and edge FUCHS out and find him some other suitable job, rather than make any attempt to get him to confess, but this must be a question for Atomic Energy to decide. When we know the objective we shall be better able to advise them.

Stratton came about his calendars and NKRUMA. I passed him on a message received from Stephens, that a prosecution of NKRUMA and his firm would be quite welcome in the Colony. He said that they had already instituted proceedings.

Cumming has completed his memorandum on the disposal of scientific defectors. He recommends that they should be billetted on unfortunate Civil Servants and finally drafted into research jobs in departments in which these Civil Servants are working. This means getting over Civil Service regulations and a provision of funds to compensate them for the appalling dislocation which is bound to result in their household. Personally, I should want a very high price indeed if I were asked to rehabilitate a Russian!

16th November.

Tom Bromley came in. He is going as First Secretary to Baghdad. I told him about and his work, and introduced him to Alec Kellar and Haldane Porter. He will, I am sure, do anything to help that he can, although he said that he was to be more concerned with administration than anything else and would not in any way interfere with the liaison between and the Oriental Counsellor, Richmond.

I saw Sir Charles Jeffries and took with me a note by Money of this office about one, a Colonial Office official, who had been reading top secret documents in the train going down to Tonbridge. Without any difficulty Money had been able to read what was in the documents.

Jeffries said that he would certainly take the matter up. I asked him specially to keep us out of the whole business, as we did not wish Government servants to think that we spent our whole time looking for indiscretions in railway carriages.

Jeffries talked a lot about his difficulties over the case of Ken BAKER, the Labour Adviser in Hong Kong. While nobody thinks that BAKER is anything approaching a Communist, all are agreed that he is hopelessly misplaced and that what he tells the Chinese about Trade Unions is not likely to do them or us any good. He is apparently on probation and the question of his establishment has now arisen. A probable solution will be to give him a two years contract and then dispense with his services; this will entitle him to a bonus. I gather that Creech-Jones is quite worried about the case.

I talked to Jeffries a little about sending out teachers to West Africa from the Oxford Delegacy. It seemed to me that, whether they were Communist or Left Wing, they were likely to do considerable harm. I found him in entire agreement.

In Dick White's absence I saw Lord Vansittart at his Club. He wished to tell me that he, Edward Hulton, and Rebecca West had some time ago been the prime movers in the establishment of the British Institute for Political Research, 2, Upper Grosvenor Street, W.1. (Grosvenor 4426-27). The Institute was originally formed largely for the benefit of refugees, and was to some extent a kind of Club where they could find their own literature. The most active Director in the management of the Club was a Captain J.M. RADULOVIC, M.B.E., Flat 53, 59 Weymojth Street, W.1. (Welbeck 2407). It became clear not long ago that RADULOVIC was turning the Institute into a Left Wing organisation, and Lord Vansittart, Edward Hulton, and Rebecca West accordingly resigned. I believe that Sir Ronald Storrs is still nominally Chairman.

A Mrs. Dangerfield, who has been actively connected with the Institute, has recently reported to Lord Vansittart that things are going

from bad to worse, and that two other individuals, John HARE and Maurice EDELMAN, assisted by RADULOVIC, are trying to get rid of all Right Wing elements.

RADULOVIC is said to have quite a lot of money, and there is some speculation as to whether it comes from Tito circles or Cominform circles. It is suggested - on what grounds I could not ascertain - that a woman, who is generally known as SONIA, of 52 Ennismore Gardens, S.W.7. and is alleged to be a member of O.S.N.A., is concerned with the more sinister side of the Institute's activities.

It seems that the Police have a certain interest in RADULOVIC, since they have been making enquiries about him from Mrs. Dangerfield. Kord Vansittart has told Mrs. Dangerfield to give the Police all the assistance that she can. The suggestion is that RADULOVIC is engaged in some kind of fraud, and the matter may, therefore, be in the hands of the C.I.D. rather than Special Branch.

I do not know what to make of all this, but doubtless an examination of our files will give a fairly clear idea as to what is happening. It might also be worth while to ask the Yard what they know about RADULOVIC.

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17th November.

Cumming came in to tell me that some Czech official named STRYCH, who is concerned with trade and commerce, had been arrested in Prague. It is alleged that he handed over a copy of the Czech-Soviet trade agreement to a British agent, against whom the Czechs were contemplating action. Neither S.I.S. nor the Foreign Office know anything about this.

He also told me about his conversation with concerning the head of the American visa section. this man had communicated with the Soviet Military Attache, asking to be invited to Soviet parties, as he was a friend of Mme. KOLLONTAY, and other Soviet diplomats whom he had met in the various stations in which he had served. was extremely grateful for the information and relieved that we had not passed it through the Foreign Office.

is seeing the Ambassador about the case and the D.G. has been informed.

I had a long meeting with Roger, F.J. and Felix Johnstone about the Phillips Group. The Chiefs of Staff want us to go over to Holland and put Phillips' security on its feet.

We were all agreed that this was quite impossible and that we could only approach Phillips if the Ministry of Supply was anxious to place a particular contract with them. Phillips is divided into a large number of sections and without knowing the contract it would be impossible to say that the security risks were. Phillips are apparently heartily distrusted by the trade in this country, whom they are always trying to undercut by devious means, and I doubt whether we could ever believe anything that they told us. It was agreed that the next stage would be for

Hollis and Felix Johnstone to see Harold Parker. This to my mind is another instance of the Chiefs of Staff dealing with a question of detail which they do not really understand..

I saw Newsam about NAHUM and DONOVAN and got his agreement. He then told me that Kenneth Younger had expressed some anxiety about our recruiting young people from the Universities; he apparently thought that we should have "men of the world", and he may, in my view, have been apprehensive about the present tendency towards "infantile rightism"; he probably thinks that the office will get full up with these Right Wing students and so develop into a die-hard organisation. I told Newsam that he need have no anxiety; we in fact ha to recruit according to age groups, and that quite recently we had taken in people between 30 and 40.

Newsam told me that he had had a visit from Gladwyn Jebb, who said that his committee were considering the question of anti-Communist propaganda in the U.K. Newsam made it clear that neither the Home Office nor M.I.5, or the Police, could run anything of the kind, although we and the Police could supply information. He thought that if anything was done it should be a Cabinet decision and come under the P.M.

I told Newsam that in our view the idea was not a good one; we saw no real necessity for it, as the Press were doing the job fairly well. There had also been a great deal of anti-Soviet publicity in U.N.O. It seemed to me, too, that it was questionable whether a precedent should be created for spending Government money to counter the activities of a political party which was represented in the House of Commons. My impression was that Newsam had said that provided the Home Office were not drawn in he did not much mind what happened.

18th November.

I saw Mr. Hayman, Personal Staff Officer to Air Marshal Elliott. He sent for Captain Beer, who produced a list of some 200 names of people to whom the second edition of Lord Mountbatten's book had been sent, on a personal basis by Lord Mountbatten for comments. In the covering letter they had been told they could retain the copy for their own personal information. These people were mainly officers who had served in the campaign.

A considerable number of copies had gone to the Americans, the Indian Army, the Pakistan Army, and one had also been sent to Compton Mackenzie - presumably because he had been commissioned to write up the part played by the Gurkhas (I actually met him in Hong Kong more than two years ago when he was employed on this task).

I explained to Hayman that we were not concerned about the vetting of this edition for publication, which was doubtless being considered by all the appropriate authorities (I understood from him that a number of excisions had been made on security grounds). The only point at issue was whether the copies circulated on a personal basis by Lord Mountbatten contained telegrams, the disclosure of which might raise a current cipher security issue. If this were so, it seemed to me that the report should be reviewed by the Cipher Security Board, who were the only body who could say whether any damage might still be going on.

/Hayman

Hayman promised to make enquiries and to let me know. If there is any likelihood of current damage, he would like us to bring it to the notice of the Cipher Security Board.

Mitchell and I saw Liesching, who had in Sir William Jenkin and another officer. We discussed at some length the case of Rupert METCALFE, who holds quite a responsible position in the C.R.O. and sees our Far Eastern material. He had not been vetted on his appointme to C.R.O. from the Ministry of Food, who knew about his association with certain Communists. He has come to our notice on account of a SIGINT vet.

Apparently METCALFE has done extremely well and has earned the praise of all his superiors, who find it difficult to believe that he is a Communist. On the other hand, our files show him to be in association with some pretty queer people; although what these associations amount to it is difficult to say. We offered to make an intensive investigation, but we warned Liesching that this might well be inconclusive. Meanwhile, METCALFE will not be initiated into SIGINT material.

I have arranged with Horrocks for FINGAL to receive a bonus for his overtime.

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19th November.

John Marriott came to see me about his new Polish defector, who is a member of the U.B., or Polish Security Service. He clearly knows a lot about its workings in Warsaw and here and also about the workings of Polish Military Intelligence. The man is apparently very afraid of being kidnapped.

I told the D.G. about my meeting with Hayman, and also about the one with Liesching on the subject of METCALFE. I also asked the D.G. about the visit of Maxwell and Ferguson to Malaya. I wondered whether they were going to call on us. The D.G. said he had made it clear to Ferguson that we should like to see him, but in the circumstances he did not feel that he could very well press him to come; he thought, however, that if Ferguson and Maxwell saw Morton, they would get all the background required.

I was talking to David Smith, of W.H. Smith, the other night. He told me that he had had a "go slow", involving three hours delay on the distribution of newspapers. He sent for the Trade Union official, who denied that there was a "go slow" - all that had happened, he said, was that the men had realised on the previous day that they were doing more than a days work. A certain amount of argument ensued, as a result of which it emerged that the men were annoyed about a bonus claim which was being looked into by the ordinary body established for that purpose between the newspaper distributing agencies and the T.U. As a result of the delay, overtime was necessary. The Foreman went down into the canteen to call for volunteers, but got no response until finally a young man, and fairly newly joined, said "I do not know what all you fellows think you are doing, but I am signing on for overtime". He

walked up the stairs and all the other men followed him!

The impression is that all the other men, although they disliked to "go slow", were terrified of finding themselves on the "other side of the fence".

I was talking to Graham about this, and also about the lack of influence that the T.Us seem to have over their men. It seemed to me that the T.U.C. were now so identified with the Government that it was arguable that Labour might be more amenable under the Tories. Graham agreed; he added that normally the membership of the Communist Party was the barometer of pro-Russian feeling: it should have declined, but in fact it has remained stable at about 40,000. He thinks that the decline, which should have taken place on account of Russian unpopularity, has been made up through a feeling by the workers that their bosses are too identified with the Government and that their only outlet is through the C.P.

21st November.

I talked to Mann about the alien problem and urged him to tell the Police that we were not only interested in Communist activities, but in the activities of aliens. It was important that they should do their ground work on this subject; they would be expected in time of war to be able to express an opinion on their potential Fifth Column. Meanwhile they might detect a foreign agent, and in any case would be in a position to answer enquiries about aliens which we might put to them from time to time. It was often important to know what an alien had been doing, say three years ago.

Burt came to see me. I asked him about the suggestion that the Flying Squad should report the numbers of certain cars used by the Soviet or Satellite Embassies. He said that he could quite easily arrange this. If, however, we extended the idea to the traffic branches we ran a considerable risk of leakage.

I also asked Burt to let me know whether BALLOON had a criminal record. Malcolm Cumming wanted this

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Dick put forward the argument that overt liaison carried with it the obligation to supply information, and that unless we are prepared to give such information, our liaison is bound to die. This seems to imply some confusion of thought. I doubt, in fact, whether they have given him much information at all; they have, however, given him a lot of advice, based on their own experience, and they have had quite a considerable divident in return.

Martin and Marriott came to talked to me about the FUCHS case. They had seen Kearton, who had given them some account of FUCHS, with whom he had worked in close contact in America. Kearton could not believe that FUCHS was a spy, although it did not seem from anything that Kearton said that this was ruled out. In fact, we had Cockcroft saying the same thing about Alan NUNN MAY. There is, however, a suggestion that a woman who was a computor(?) and worked with FUCHS and Kearton, might have had the contact with the University students. I gather she was of Russian origin. Neither Martin nor Marriott are in the lease shaken in the belief that FUCHS is the man we are after.

Alec Kellar is full of forebodings about Dick's report.

22nd November.

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

Mitchell asked me whether his monthly report on Communism could go regularly to the Dutch. They have apparently been given a copy on one occasion. S.I.S. think it may lead to our having to give it to the Belgians. I said to Graham that this in turn might lead to having to give it to the French, etc. I suggested that he should have a word with Irvine, as we did not wish to get into difficulties with the S.I.C.

I had a meeting with Perfect, Holmes, Boddington and Mann. Perfect wants to take over the Railway and Dock Police and establish liaison with certain other private Police Forces. I said that I could see no objection; in fact, it seemed desirable that the Railway Police should be tied in to the local S.B. meetings. I could not see that this could interfere with the duties of C.2, who would continue to have liaison with the Railway Police on matters of sabotage.

23rd November.

Mann brought two Scottish S.B. officers from Edinburgh and Glasgow, to see me. They seemed very impressed by what they had seen here, and extremely grateful for having been invited to visit us.

I talked to Graham about a draft letter to the Colonial Office on the subject of [redacted] a teacher in Nigeria. She was formerly connected with the India League and comes from the Colonial Bureau of the Fabian Society. Cohen of the Colonial Office thinks she is wonderful ("She may be all that is wonderful, but she does not appeal to me!"). Tin-Eye thinks it is wrong that the British taxpayer should have to pay for Communist propaganda in the Colonies! In general, he is right about [redacted] but there is not sufficient evidence to present the case to the Colonial Office. There is no doubt that whatever the Government's policy may be. and whatever anybody may think of Colonial policy in the past, [redacted] can make no contribution towards easing the present tension among the natives.

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24th November.

I discussed with M.E. and John Marriott the proposals in an S.I.C. paper for the establishment of a War Room on a Western Union basis in the event of trouble. I wondered how far our records were arranged to meet such an emergency. Irvine suggested that each power should contribu history sheets and notes on the organisation of foreign Intelligence Services. I gather that we can meet these commitments, but there is the usual source trouble.

[redacted] came over to discuss Irvine's S.I.C. paper, which mak reference to the co-ordination of S.I. and S.O. This has apparently got under Sinclair's skin; he feels that the S.I.C. should not interfere in S.I. and S.O. matters, and apparently what Irvine has said, to some extent runs counter to a clandestine S.I./S.O. Committee of the Western Union Powers, which has been meeting recently. Sinclair wants to send a telegram to Paris, Brussels and The Hague, expressing his disagreement with this document and stating that M.I.5 share his views. I explained that Irvine had written this document at the request of the S.I.C., and in his capacity as International Secretary. It seemed to me that there was nothing particularly harmful in it, and in any case it was open to all parties to criticise and comment at the meeting which will take place on December 13th in London. I expressly asked him not to make any reference in his telegram to the views of M.I.5, as we did not wish to give the impression to the other Powers that we were ganging up against the Secretary's proposals.

[redacted] telephoned to me later to say that he had three-quarters of an hour with Sinclair and that a modified telegram was being sent out. He gave me the gist of it, but it contained no reference to M.I.5.

Sir John Shaw showed me a letter that he had received from some Press friend, which made it fairly clear that the leakage about his appointment here had occurred in the Colonial Office.

Sir John attended the Directors meeting, when we discussed, amongst other things, Dick's memorandum. Horrocks seemed to be in favour of the move to Moascar on Monday and opposed it to-day, on administrative grounds, and was supported by Charles on financial grounds. It was felt that there would be a good deal more building than was suggested, and that the accommodation problem in Ismailia would be considerable. Moreover, we should probably lose about fifteen local employees at Fayid.

Charles thought that the £9,000 required for constructing the new building might well end up by being £15,000.

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On the Intelligence side, I said that there were a few things which worried me, and on which I should like to have further particulars when Dick returns. It was decided to hold over any further appointments either to Hong Kong or to Gibraltar. A Naval attachment in the person of BOYLE is proceeding to Hong Kong shortly, and may ease the situation there. It was recommended that, if approved by the Indian authorities and General Nye, Kitchin should replace U'ren. I asked whether Kellar had been consulted about this and was assured by Horrocks that he had been. I subsequently discovered that this was not the case.

25th November.

Skardon told me about his interview with Dorothy WOODMAN. He and Wilkinson of S.B. had been well received and Dorothy WOODMAN had given every outward appearance of wishing to help. She did not in any way resent the visit. She said, however, that she remembered having had a communication from Brussels, from some individual whose name she did know, but that she could give no description of him owing to the considerab. lapse of time, that he had asked to be placed in touch with a technician and that she had introduced him, as she might have introduced many other people, to MEREDITH, whom she knew personally. She denied having arranged any visit of MEREDITH to Dublin. Skardon is now thinking of bringing MEREDITH and WOODMAN together to see if they can reconcile their conflicting statements. WOODMAN effected not to mind this suggestion. Skardon said she had a very pleasnat, almost motherly, personality. There was no doubt that from what she said, she is of the type who sees a lot of Communists, or certainly did so in the past, and still thinks that we have something to learn from Russia, although she dislikes the "purges" and concentration camps.

Geoffrey Harrison, our Counsellor in Moscow, came to the J.I.C. this morning. He said that when he first went to Moscow he tried to keep his mind completely open, particularly on the question of whether the present Russian policy could be explained by a fear for their own security, or whether it had far wider aims of world domination. He had come regretfully to the conclusion that while her own security was a short-term objective, she definitely had wider aims, which she might well try to put into force by open agression when she felt strong enough to do so, and if in the meantime she had not succeeded by subversive means. He did not consider that MALENKOV's recent speech, in which he expressed satisfaction about Moscow's relations with the Satellite states, indicated any

change of heart in regard to wider aims and world Communism, which had previously been stressed by Stalin. He had been impressed by the extent of anti-Western propaganda, of a type with which everybody was familiar. Our counter-organisations could not be very effective as they only reached a very limited number of people at some unearthly hour in the morning. The whole idea of Russian propaganda seemed to concentrate on persuading the Russian people that there were two completely hostile camps, that capitalism was in decay, and that it was Russia's mission to give a coup de grace.

Russia's two weapons were the Red Army and Communism, but for the time being, at any rate, she preferred to use the latter. Her tactics would always be opportunist but her basic policy would remain the same. He could see no prospect of there being anything but a state of armed neutrality. At the best, he could see that during the last two years there had been some slight improvement in general conditions. There was more food, more clothes, and in some cases better wages. He did not believe in civil war if Stalin died; he thought that the regime was much too deep-seated for any violent change to take place. He mentioned a paper by Admiral Stephens, who I think is the American Naval Attache in Moscow, which suggests cutting off all supplies to Russia and the Satellites, and also that if this were done the whole machine would crack and disintegrate. Taking a prima facie view, neither he nor the members of the J.I.C. felt that these conclusions were justifiable; there were many fallacies. Nevertheless, the paper was a well-written one and merited a careful study.

It is still possible to do a certain amount of travel in Russia, and in fact, the more recent restrictions have, paradoxically enough, made it easier to go to certain places which are not wholly uninteresting. Harrison thought it was now time that we re-appointed an M.A.

While we appear to agree with the Americans on the amount of raw material in the atomic energy field available to the Russians, we do not agree on the extent of their production. The Americans think that the recent explosion in Russia was the first bomb off the line, whereas we are inclined to think that it was an ad hoc experimental explosion. After considerable disagreement about three weeks ago, both parties seem 99% sure of the bomb having been a plutonium one. The area of the explosion is now said to be the Aral Sea and not Lake Baikal.

28th November.

Viv and came to talk about the case of employed by Derby. They had grave doubts about his reliability, mainly based on statements made by PROTZER, the old Abwehr official who has been interviewed on several occasions. The remainder of the allegations seemed to be pretty vague, as indeed is the one from PROTZER. Characteristically nobody seems to have thought of asking PROTZER why he considered to be a Soviet agent. I asked them to let me have all the evidence they had in writing, when we would go into the case.

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I talked to John Marriott and Derby about Derby feels fairly confident about bona fides.

I had a long discussion with D.C., F.J. and others about FUCHS. The only conclusions we have reached were that it was essential for D. At.En. to be quite clear as to what they were going to do with FUCHS after his interrogation. They ought to have some job ready for him at once, if this is necessary. As regards the use of the evidence, we were in considerable doubt as to whether the date would really help, since it might imply that we did not think FUCHS had been active either before or since. Apart from that, it helped to pin-point the source.

29th November.

I had another talk with Irvine, when I discussed his memorandum. It seemed to me that perhaps he had gone a little outside the Charter of the S.I.C., and that we might have to agree on this point. This did not, however, justify

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

Vickery came to tell me that he had received an offer from Seel of the C.R.D. to arbitrate in a dispute between Int. Div. and the Foreign Office as to the future strength of Int. Div. The job would take him about six weeks to two months. I said that as far as we were concerned there would be no objection provided the Foreign Office and the Military did not feel it undesirable that a representative of the Security Service should carry out this taks. I said that I would discuss the point with Brain and sound out other interested parties.

I attended a meeting of the SIGINT Board. The only question that really concerned us was whether clandestine traffic in China should be exploited at the expense of a 5% dimunition in lower echelon Russian traffic. I said that owing to the importance of the Far East to S.I.F.E., we should be quite prepared to agree to this.

Travis spoke to me afterwards about closer liaison between Geoffrey Patterson and in Washington. He thought we should urge Patterson to take the initiative in this matter.

Hollis spoke to me about the FUCHS case. He thought we ought to get an expert opinion from G.C.H.Q. on the risks of a cross-bearing on FUCHS and the Australian case. I have asked Martin to do this.

30th November.

Hollis tells me that we have now been charged with a mission to examine, on behalf of the Atlantic Pact Powers, the security of Italy, Portugal, Denmark, Norway and Iceland. Hollis would like Irvine to do this job. I said that this would depend upon the next meeting of the S.I.C. on the 13th December, when we would again represent that Irvine had not got a full time job as Secretary, and suggest that he should work part time for us, for which we would reimburse the Permanent Commission.

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I dined with Sir John Shaw. We did not discuss the shape and form which the Overseas Division should take. I told him as much as I could about the office and its work, and he talked quite a lot about Colonial affairs. He did say to me that in his view our appearance in the Caribbean seemed a bit premature. He realised that trouble in a place like Trinidad could start very easily from some quite trivial incident of an indigenous kind, but he did not see at the moment what contribution we were in a position to make in such an eventuality. It might be, however, in course of time, that outside sources would become more active, but there would be something in collating the general picture.

1st December.

Hollis talked to me about Air Vice Marshal LEASK, who is settling in Finland with his pro-Soviet Russian wife. He is apparently to represent English Electric amongst other Companies and will be running an import and export business.

Pendred, with whom I have spoken, has warned the Air Attache. I think he believes in LEASK's loyalty; but he thinks the wife is dangerous. I told him that if he could get LEASK to let him know if any approaches, direct or indirect, are made from Soviet sources we should be interested to hear about them. Meanwhile, we should have to make sure that English Electric did not discuss any new secret work with LEASK. There is very little at the moment that LEASK does not know about our technical developments in the Air Force.

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came to see me about the trouble with the S.D.E.C.E. He obviously wanted us to decline to discuss organisational matters at the next S.I.C. meeting. I said I thought it was up to the French to state their case. He then said there were people in the S.D.E.C.E. who were inclined to say that we were trying to build up the Surete at their expense. I told that nothing was further from our minds; we had a professional job to do and if analagous functions were performed by two separate bodies in France, we naturally wanted to be in touch with them both. We were simply interested in getting on with the work and had no interest whatsoever in French domestic affairs. said of course he understood this perfectly himself.

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2nd December.

Sir Ralph Stevenson, our Ambassador in Chungking, came to the J.I.C. to-day. He prefaced his remarks on China by pointing out that for thirteen months there had been no fighting at all by land forces. Bombing, however, by the Nationalists, which could be carried out with impunity owing to lack of air defences, had been a considerable source of irritation to the Communists. Owing to the total lack of opposition, it was leisurely and on the whole accurate and effective. It had, for example, prevented the running of trains and river traffic during the hours of daylight.

He said there were two conflicting views about the situation in China, on the one hand that there had been an out-and-out victory by the Communists, on the other that what was going on was just a civil war which would ultimately peter our leaving things much as they have been for the last 30 years. He himself disagreed with both these points of view. He thought that what was happening in China was really a continuation of the revolution of 1911. Chiang Kai Shek could have completed this revolution but was a victim of his own past and incapable of administering the necessary purge to the whole of his administration. The result of his corrupt and inefficient rule has been something in the nature of a general upsurge and it was perhaps an accident that the Communis happened to be there to give effect to popular feeling.

In general, the Communist Party are not really popular. There are two things for example which were causing considerable irritation. One was the practice of compulsory indoctrination which meant that after a hard day's work the Chinese were forced to listen to lectures on dialectical materialism, a subject which bored them and which few of them

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understood. Another cause of complaint was the rice levies. There had always been rice levies in China, but until the Communists came into power they had only been enforced in a very desultory way. The land owners of course were more indignant than anyone else as they were the heaviest losers. The peasants did not mind so much as they were receiving a certain quantity of consumer goods in exchange.

The Government in China has always to some extent been judged on its ability to stabliize the price of rice and the task of the Communists in this respect had not been easy, but they had nevertheless succeeded in spite of great difficulties in getting supplies to important centres and in particular to Shanghai, which had also been adequately supplied with coal. In spite of this, there was a considerable amount of unrest due to the impossibility of foreseeing the future and of "fixing things" in the present state of the country.

Sir Ralph then posed the question as to whether the recent events in China could be regarded as an out-and-out Soviet triumph. He thought it was difficult to answer this question. Russia was obviously trying to get back to the state of affairs in 1904, particularly with regard to Manchuria. He thought, however, that she would be extremely cautious and that she would not make any attempt at interference within the Wall. She might later on attempt to expand from inner to outer Mongolia. She would, however, be mindful of the dislike of the Northern Chinese for Slavs and of China's general xenophobic tendencies. With regard to Manchuria, the situation had not been eased by the ruthless stripping of all industry by the Russians.

The economic and political difficulties which the Communists have to overcome are enormous and there are signs of a certain apprehension about K.M.T. underground activities. DAI LI's Gestapo has gone to ground and may well indulge in guerilla activities. Law and order at the moment is entirely under the Army which is a serious economic burden. Sir Ralph thought therefore that the Chinese Communist Government would have its hands pretty full in dealing with internal aggression and would not be likely to indulge in acts of aggression outside its frontiers. In saying this, he did not wish to imply that what had happened in China would not have a very considerable psychological effect outside the country and particularly in South East Asia. He did not believe that there would be any attempt for some considerable time to interfere with Hong Kong, unless some incident arose which would cause China to lose face if she did not act now. Hong Kong is far too useful to the Chinese in their present plight for her to contemplate any unprovoked action at the moment. When the Government did decide to liquidate Hong Kong, in his view this would be done by blockade and by the creation of disturbances within the Colony.

Sir Ralph said that he had had certain informal dealings with Communist Party leaders. Their morale was extremely high and they were proud of the Army and its achievements. This, coupled with the suspicion of all foreigners, caused them to be extremely abrupt and rude in their behaviour. With patience, however, they could be persuaded to become reasonable. Their behaviour to foreign firms was fairly good, but workmen were encouraged to squeeze their employers and foreign firms were taxed more heavily than Chinese. On the whole the discipline of the Army was good, and property and the individual were respected, but it was made clear that foreigners were only allowed to remain on sufferance.

Sir Ralph was certain that the right policy was to hang on, keep the door open and recognise the new regime as soon as possible.

There was nothing to gain, he thought, by delay and he was certain that recognition should be granted without conditions.

He was worried about the position inIndo-China where he thought the French regime was in considerable jeopardy. The recognition of BAO DAI had come much too late. If the French had to withdraw, there was no doubt that Indo-China would become Communist and that the position of Siam where there are 3,000,000 Chinese would be seriously weakened.

Boucher asked whether the Russians were sending advisers. Sir Ralph said that he thought theywere sending them in considerable numbers. He was not, however, too worried about this as he thought that in the end they would cause friction as had happened in the days of BORODIN.

I spoke to Helsby about the question put by PLATTS-MILLS on the "Daily Mail" report that the D.G. had gone to Nigeria. The question was down for the War Office. I said I did not think it mattered who answered it, provided the reply was "Not in the public interest". Helsby agreed and said he would sort the matter out.

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5th December.

Admiral Thompson came over at Hill's request. Trafford Smith had shown him a note by Cohen on the Colonial Office, on which he had expressed grave misgivings about publicity in connection with the D.G's movements and those of Inspector Barnes of S.B. to Uganda. He had suggested that we might have a conference with the Home Office and Scotland Yard to see what could be done to prevent a recurrence. I said to Trafford Smith that in so far as the D.G's movements were concerned, he was well-known to the Press and to the public that it was really impossible for him to travel anywhere without a great deal of speculation. As far as S.B. were concerned, or officers of Scotland Yard, the approach would be through the Home Office. I felt, however, that in view of Colonial Office anxiety about publicity in connection with the D.G., and also certain anxiety in Downing Street, it might be well to explore whether Admiral Thompson could impress upon editors the fact that the D.G's movements really came within the terms of D. Notice No.1, i.e. the activities and movements of Intelligence personnel. I explained to Admiral Thompson that it was difficult to make a distinction,as regards the D.G's work, between Communism and counter-espionage, or military defence matters; the two were now so inextricably mixed up. There was no doubt that publicity in regard to his movements could be extremely embarrassing not only to the work of this organisation, but to other Government departments, or indeed in this case to the South African authorities. If the leakage occurred after Sir Percy's arrival in South Africa, while this might be embarrassing to the C.R.O., the South African authorities would not be in a position to complain, since it would be a matter for their security authorities rather than ours. Even, therefore, if the visit, and perhaps its purpose, ultimately became known, there was at least a point in keeping it secret until the D.G's arrival in the territory concerned. In the light of what I said, Admiral Thompson said that there had been anbreach of security and undertook to speak to the editors of the Mail, the Express, the Standard, the Evening News, and the Kemsley Press.

Perrin came over to discuss the FUCHS case. We tried to envisage every possible situation that might arise. I made it clear to Perrin that in our

view the chances of his getting the answer he wanted were extremely remote. One might have a lucky break, but it seemed on the whole more likely that we should be left in a state of uncertainty. if not positive suspicion. What action was likely to follow seemed to us essential; efforts should be made now to explore the ground for alternative work, since it would be undesirable to have any hiatus between the interview and FUCHS' ultimate disposal. Equally, if we were intending to dispense with his services as a civil servant, which the Minister has the right to do, we should consider the consequences, e.g. representations by his Trade Union, by his fellow workers in the scientific field, questions in the House of Commons, the demand for an enquiry, etc. It was our experience that when Ministers found themselves in difficulties of this sort they were inclined to say that the Intelligence Services had let them down, unless they were allowed to tell the House of the facts. In this case such a course would be impossible.

We undertook to explore the legal position about getting rid of a civil servant, while Perrin said that he would make enquiries about a possible University job for FUCHS.

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6th & 7th December.

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

I had a talk with a representative of the R.C.M.P., McNeil, who has been over here and has been visiting his officers on the Continent who are sorting out D.P.s for emigration.

I left for Germany by the night mail with We were met at Cologne and proceeded to General Robertson's H.Q. at Wahn, about ten miles away. Cologne, which I had not seen since before the war, gives the impression of almost complete devastation, in the middle of which the Dom stands comparatively unscathed. At Wahn I had talks with General Haydon, Kit Steel, Proctor Thomas, KeithRandall, and Tolson. There was to be a meeting on the following day on a tri-zonal basis to discuss the question of the Laender. The position was that there was agreement in principle between the three powers on the creation of a Federal Security Bureau, which should have no executive powers. The British and the Americans thought that the Federal Bureau should run agents, but this point, I gathered, had not been discussed in any detail with the French. Some difficulty was anticipated, since if the Federal Bureaux were told that they could run agents in Germany, they might well ask "What is Germany? Can we run agents into the Saar?", to which the French would answer emphatically "no", and "can we run agents to the other side of the Oder-Neise line?". We and the Americans were not anxious that this issue should be raised, and would be quite content to see the Germans run agents into the Russian zone, and even beyond. It would be difficult for us, however, to say this to the Germans, since if anything went wrong, they might claim that they had British authority and cause difficulty between us and the Russians. As regards the Laender, the Americans and ourselves were in agreement about setting up Land Bureaux. The French, however, were opposed; they only wanted a Federal Bureau, as clearly they thought that if things were centralised there they would get a slice of information for the whole of Western Germany, and probably they did not like the idea of the Germans running agents in the French zone, who might get across the tracks of their own agents. This point, however, was to be debated on the following day.

We and the Americans were agreed that the Land Bureaux should have no executive powers and should be allowed to run agents within their own Laender. It had to be admitted, however, that the Land Bureau was already operating in Rhine-Westphalia, and indeed, outside it, and that no action had been taken so far to supress it. It was not an efficient organisation; it had several members of the old Abwehr and had already created a grapevine which extended to Poland and other countries. If the Land Bureaux were officially recognised, the British would tell Menzel, the Minister of the Interior, that he would have to confine his Bureau to his own Land. He has already been asked to disclose his agents; this we know, in fact, he is unable to do, because many of them are being run second and third hand and are, incidentally, of extremely doubtful quality.

We discussed the Police. I asked first whether it was desired that the Land Bureaux should be efficient or inefficient.. I was told that the British desired they to be efficient and to work them on a liaison basis and in the spirit of co-operation. That being the case, I expressed the view that there must be a soft point in each Police Force, for two reasons: Firstly, local Forces had to collect ground information intelligently, and secondly, if executive action were required, it was essential to have somebody in each Police Force whounderstood the problem and would act with discretion. Kit Steel said that he had had difficulties over this point with Public Safety, but was glad, however, to be reinforced in his view that this was necessary. I said that I understood Public Safety's point of view - that it might be undesirable to call these elements in the Police S.Bs. Nevertheless, if a Police Commissioner was asked by the Minister of the Interior to supply information on political matters, he would certainly carry out the request and undoubtedly nominate somebody to acquaint himself thoroughly with the problem. Whether this section of the Police was called a S.B. or Section 1(a), 2(b) or 4(c), did not matter from the point of view of its efficienty. I was quite certain, however, that the Germans would have such a section whether we gave them permission or not. The only point on which I expressed some doubts was the multiplicity of people who would be running agents in the Land; there would be the Federal Bureau. the Land Bureau. Int. Div.. the Police.

In the evening I had a long conversation with Dougal Smith of the Foreign Office, who works directly under Kit Steel. He told me that he was rather a"voice crying in the wilderness". He was certain that the Germans were going to be a source of serious trouble to us before long. the rather plausible idea was being pursued that we must support the moderate elements, in the person of ADENAEUR, and this was in the present circumstances inevitable. He felt, however, that in the next Government the Right Wing would certainly have their feet in the door and that, wittingly or unwittingly, ADENAEUR was playing their game in the same way that STRESEMANN and BRUNING had done before. ADENAEUR's public statement that he does not want an Army at the moment is apt to create a more favourable impression than it deserved. It is, in fact, a godsend to the Germans not to have an Army costing them millions and keeping able-bodied men from rebuilding the country.

Dougal Smith agreed with me that we might well reach a moment when the Germans, finding they could not get what they wanted in the West, might make an unholy alliance with the Russians involving a readjustment of the Oder-Neise line.

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8th December.

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Dusseldorf is obviously getting on its feet again; a good deal of damage has been repaired and the shops are full of manufactured goods, which I am told the Germans are exporting both to the East and to the West. It will not be long before they undercut us all! The people and the children look, on the whole, well fed, and the country districts are certainly cultivated down to the last inch. Vera Sutherland, who is working for Leo Long, lunched with us and saw me off on the 'plane at 4 p.m.

9th December.

I told the J.I.C. about my visit to Germany and expressed the view that it would be premature to report to the Chiefs of Staff, since no final decision had yet been taken.

Kenneth Strong then gave an account of a recent meeting that he had with Alexander. It was clear that Alexander had to fight a considerable

battle in the Cabinet in regard to all defence projects, including Intelligence. He could not see the justification for heavy expenditure on Intelligence and seemed to complain that people were always bringing up the Russian bogey, but that in fact nothing had happened. He even quoted Tizard's forebodings about the bombing of London immediately war was declared - in fact nothing had happened for six months. Strong explained to him that what was going on now, in both the Intelligence and the research field, inadequate though it might seem - did provide the Government with information, on which from time to time they could take action. Such action, for example, as sending troops to Hong Kong undoubtedly had a deterrent effect. He had, too, to bear in mind that everything the Government did was based on Intelligence and that at the price of three million pounds, compared with the defence estimates which ran into hundreds of millions, it was a mere feabite.

It seemed to him that the basic trouble in all these criticisms of Intelligence was that the Ministers seemed to imagine that Intelligence was something that could be turned on and off like a tap without any damage. The answer is, of course, that if you even turn the tap half off for a year, you may have to begin again from scratch and establish an entirely new hot-water system.

12th December.

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We had a meeting with

It was virtually a suggestion that the Committee should consider only an exchange of information and should not concern itself in any way with war organisation. I said that I did not think this would quite do. It seemed to me wrong that war planning should be held up simply because the S.D.E.C.E. did not like the Surete, and vice versa. I could see no reason why we should not leave national organisational matters to the countries concerned, and merely discuss the nature of the ifformation and the form in which it should be presented in the War Room on the outbreak of war. We should also discuss personnel. agreed with this.

13th December.

Dick and I spent the whole day at the S.I.C. meeting. We were told in the morning that Item No. 2 on war organisation would be postponed until the afternoon as Colonel Fourcaud would not be able to arrive in time. After lunch we were told that he would be coming in the afternoon, and then we were told that he would arrive about 5.15, but finally he did not turn up at all. The impression of the meeting, and certainly of the Chairman, was that the French chose to play out time so that Item 2 could not be discussed at all. Finally it was discussed between five and six, Walravens, the Chairman, being determined that the French should not have their way. I said my piece, namely, that we had expressed the view at the previous meeting that it would be better if matters could be organised on a national basis before we attempted anything on an international scale, but that we had conformed to the general wish of the Committee that too long a delay might be involved and that the Secretary should put up a draft plan. While we felt that it might at this stage be difficult to discuss certain organisational matters, we saw no difficulty in discussing what information should be supplied to the War Room and the form it should take in order that it might more easily be integrated in time of crisis, the language that should be used, and the the personnel that would be necessary, at any rate at the outset. My view was supported by the Dutch, who thought that we should have something of a

plan on the above lines and then go to the Military with a request that we be informed how the War Room is to be fitted into the military machine. Everybody else seemed to agree, except the French who said that they did not think that they could proceed until the matter had bee considered on a high ministerial level. There seemed to have been a misunderstanding, and it was questionable in their view whether the S.I.C. was competent to discuss war organisation, which in France would be a matter for the Minister of Defence rather than the Minister of Foreign Affairs.

The meeting decided that the Secretary should remain whole-time at the disposal of the Committee, although he could, if time permitted, be allowed to do certain jobs such as the one he had recently done in Washington in connection with the Atlantic Pact. One of his tasks between now and the next meeting would be to visit each Service at least once and record their views on war planning. These would be circulated well in advance of the next meeting, when a further discussion would take place. Some doubts were expressed about a request by me that Irvine should look into the security of certain countries coming under the Atlantic Pact. It was decided to refer the point to the Permanent Commission.

Irvine had produced a useful paper on counter-sabotage, making certain recommendations to the Permanent Commission. An amended draft is to be submitted to each country before the final paper goes forward.

I gave the delegates lunch at the Cripps Arms. Einthoven sat next to me and | sat next to Dick. Both made it clear that they wished t be in direct touch with us, and they intend to put this view forward when Dick and | come over to Holland in the New Year.

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14th December.

Burt looked in to see me. He said that he was investigating a complaint which had reached the Commissioner from the Colonial Office, via the Home Office, that a leakage of information had occurred in connection with Inspector Barnes' visit to Uganda. Burt said that he was confident the leakage had not occurred in S.B.; he thought that it came from the Colonial Office. He said it was curious that the Graphic seemed to get the news first - this he had from a very good source.

| of the Surete came to see me. He put up a very good show at the S.I.C. He is young and intelligent. I made it clear to him, in view of the remark that he had made at the meeting that we had no wish to prevent Irvine going to see | indeed we had no power to do so. On the other hand, it was natural that I should see Irvine from time to time and that when he felt himself in a difficulty he might refer a point to me for advice. He had, in fact, told me that Mr. Starbusman, the Belgian Secretary of the Permanent Commission, had restricted to a few hours. I had, therefore, wondered whether it was in fact worth while, as there would not be time for Irvine to go round to other offices either in Paris or Brussels, or in The Hague. Had he been able to do this, he might have re-written the paper in a form more acceptable to the meeting as a whole. The unfortunate impression, that we had tried to stop Irvine going was obviously the result of the stupid telegram sent out by S.I.S.

John Marriott took _____ off to discuss B.2 matters and a possible visit by Graham to Paris to look into files of the Surete which relate to the Rote Kappelle and certain more recent activities of some of its old members.

15th December.

_____ came to see me to-day and I subsequently took him out to lunch. He made no apology for failing to appear at the meeting of the S.I.C. on December 13th, beyond saying that he was sorry that he could not get there, It is, I think, quite clear that his action was deliberate and that an attempt was made to play out time in order that Item 2 should not be taken.

While _____ does not dispute that "the further integration of C.E. services in case of emergency" is recorded in the terms of reference of the S.I.C., he says that subsequent correspondence on a Ministerial level in France did imply that there were doubts and misunderstandings in the minds of the French delegation on the competency of the Committee to deal with such matters. I am fairly confident, however, that these doubts did not crystallise until Irvine's memorandum was brought to the notice of the S.D.E.C.E. by the local representative of S.I.S. This resulted in the S.D.E.C.E. invoking what they call the "basic law" in the French Constitution, which lays down that intime of war all the forces of law and order come under the military. From this the French argue that the war organisation must be a matter for the Ministry of Defence and not for the Ministry of Foreign Affairs. _____ informed me that a letter had already been sent by the Minister of Defence to the Minister of Foreign Affairs, pointing this out. Meanwhile, the system of Services Speciaux, which will comprise S.I., S.O. and C.E. (including the control of the civil forces), has been agreed to by the President du Conseil. Any separate planning, therefore, for C.E. by the French runs counter to this arrangement.

_____ proposal is to leave the S.I.C. to discuss matters affecting the exchange of information in peace time, but to eliminate the Surete from war time planning by transferring this function to another committee. He asked, rather pertinently, whether we should no object to the Commissioner of Police being represented on a war planning committee. I said that whilw we should not object in principle, such a question did not really arise in this country since our relations with the Police were the same in peace as in war and were based on mutual co-operation. All the records regarding subversive movements and espionage directed against this country, and to some extent on an international scale, were centralised in our office. (This, of course, i not the case in France, where the bulk of the records are with the Surete).

I told _____ that while there might be difficulties in the S.I.C. discussing war organisation, I did not see that there could be any objection to discussing the type of information and the form in which it would be presented in order to facilitate the centralisation of records in an integrated War Room. If the Surete could only be brought into line on this question in time of war, it would be too late. All parties, both civil and military, were represented on the S.I.C. and, as far as I could see, would have to be represented on the War Planning Committee. We could, of course, put on red coats for a meeting of the

S.I.C. in the morning and blue coats for a meeting of the Planning Committee in the afternoon, but this did not seem to me to get us much further!

Where we go from here I am not very clear, but I imagine that the S.D.E.C.E. are going to maintain their attitude that they cannot discuss was planning in the S.I.C., but only in a committee in which the French element depends from the Ministry of Defence.

I saw Newsam and also asked his approval for bringing over the Polish cipher clerk, from Paris. He agreed to both, provided in the case of we were satisfied that he had really valuable information to impart.

I had a meeting with D.B., D.C., B.2 and Perrin. We talked all round the case of FUCHS and came back mor or less to where we started. The only two points which emerged were, firstly, that we must have a clear idea how we were going to dispose of FUCHS after the interrogation; was there, for example, a job open for him in a University? Secondly, what would be the consequences if he were dismissed from the Civil Service? I said that there was no doubt about a Minister's right to dismiss a civil servant, but he might have to justify his action in a whole variety of ways. It was then that complicated questions relating to the source of our information would arise. Were Minister's prepared to stand the racket, or would they insist on disclosing vital secrets? This had so often happened in the past.

Dick, Haldane Porter and I discussed the Lebanon. We came to the conclusion that our only course was to endeavour to get a suitable Police Adviser, to be paid £2,000 a year by the Lebanese Government and the way was open to us to do so if at any future date we thought it was worth while and we could afford it.

16th December.

Inter-Services Director of Intelligence, Pakistan, came to the J.I.C. this morning. He expressed himself as being extremely satisfied with his visit. He had been very courteously received and arrangements had been made for him to be supplied with information about contiuous countries on a "need-to-know" basis. He quite understood that Intelligence Departments here could not go much further at the moment. He had, however, come here principally to study the organisation and in this he had learned a great deal.

George McClellan and Bill Crean looked in for a moment. They are on the Canadian I.D.C. course which has been visiting Europe. Bill Crean may go as Counsellor or Charge d'Affaires to Moscow. Glazebrook has taken on his job on the J.I.C. George McClellan will be returning to the Intelligence Branch when he has finished his course, and Johhny Leopold will be retiring.

Tommy Thompson rang up about a request that he had received from Hussey, Security Officer at the American Embassy, for a lecture on subversive movements in this country. Thompson said he did not want to do this, and in any case could only speak for the M.P. area. The lecture is apparently required for ten Security Officer who are to look after affairs in American Embassied in Europe. I said that we should not feel very inclined to talk to these people and would rather keep out of it. I recommended to Thompson that he should discuss the matter with John Cimperman, as it seemed to me that subversive movements here could have little bearing on the work of the Embassy security officers abroad.

I gave a talk to five S.B. officers from the provinces. They seemed to have been delighted tiwh their visit here and extremely keen to help us; One of them said that we might with advantage get C.Cs more interested than many of them appeared to be, since if they did not have th support of their C.Cs it was difficult for them to give the time to S.B. work which was necessary. He also thought that it would help if H.M.Is mentioned the importance of S.B. work to C.Cs. I told him that we were present at all C.Cs'meetingg and that we did get C.Cs down here from time to time; we should, however, have to consider what more we could do.

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At the conclusion of the meeting of the J.I.C. to-day, Seel said that he was slightly worried about the security of the top secret documents that he was receiving in his capacity of Colonial Office representative on the J.I.C. He pointed out that Church House was not occupied solely by the Colonial Office, but that normal security precautions were taken in spite of the fact that they had no very special machinery for the custody of top secret papers. He had been in the habit of keeping J.I.C. papers in his safe; there were many of them, however, that he had not got the time to read and he doubted whether he was concerned with much of what went on in the J.I.C. He wondered, therefore, whether in future the Secretary could use his discretion in submitting J.I.C. and other papers to the Colonial Office. It was left that he would discuss the matter with the Secretary.

Personally, I felt rather astonished by this pronouncement. If I remember right, the Colonial Office came to the J.I.C. at their own request, and it is abundantly clear that if you do not take the trouble to read the papers you are not in a position to take part in its deliberations. While it is, of course, true that a considerable number of items discussed are of a purely military nature, there is quite a lot which affects Colonial defence and defence policy, which I should have thought the Colonial Office representative would profit from knowing. If, however, his sole contribution is to lock the documents up in his safe without even reading them, somebody ought to tell him that he is not taking a proper view of his responsibilities.

As regards the security of papers in possession of the Colonial Office, somebody might well have said: "If you consider that your security is not satisfactory, wasn't it high time that you did something about it?". Personally, I felt that Seel's statement was altogether lamentable, and I am afraid rather typical of the Colonial Office outlook

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19th December.

came to see me. I gave him my usual talk about the office and this led to a fairly long discussion of a more or less professional kind. He was extremely pleasant - in fact a little too pleasant. I took him out to lunch.

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At the Directors' meeting to-day we discussed Dick's memoranda. Charles agreed to stump up the £500 for the Police Adviser in the Lebanon. We agreed to obtain the services of Tolson for the Far East, and also those of Houston who is already there. Fay of the Singapore Police is returning here and will be seen on arrival.

Dick elaborated on his memorandum, and personally I am convinced that we should give the scheme a trial, making it clear to S.I.S. that it is a trial. I think it offers a real opportunity for getting a closer grip on the C.E. producing agencies on foreign territory and improving the quality of their work. I think. however, that while we can agree to our representatives - such as and John Harrison we ought to make it clear that in our view where there is an overt liaison to be performed it should, wherever possible, be carried out by a Security Service officer and not one just trained in S.I.M.E. or S.I.F.E.

Sir Edward Travis, Alexander of G.C.H.Q., Dick, Roger, Skardon and I discussed the FUCHS case from the technical angle. The question was whether if we focused FUCHS' mind on the period of his service in New York we should be jeopardising the source. Alexander, the G.C.H.Q. expert, thought that there was no cross-bearing that the Russians were likely to get on account of enquiries in Australia. Dick said that he wanted to do this in order to convince FUCHS that we knew he was a spy, otherwise he might reason that owing to the explosion of an atomic bomb in Russia the Security authorities were looking for a likely person and , in view of his K.P.D. past, had pounced on FUCHS - in effect that we were really running a bluff.

Alexander said that it must follow that the more we convinced FUCHS that we knew he was a spy, the greater the was the risk to the source. On the whole, however, he thought that this risk was taken the moment we accused FUCHS of being a spy and that it was only increased slightly by our casting his mind back to New York. It was agreed, therefore, that we should proceed on the lines indicated, subject to agreement by 'C', which Travis would endeavour to obtain.

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20th December.

I went to see Gerald Templer at his request. He wanted to know the state of the Australian Security Service and the progress they had made. I gave him this information.

Gerald was also worried about a reference to the exclusion of 33 Communists from various projects including the long-range rocket project. A statement about this had appeared apparently in a memorandum written by Shedden some time ago. I said that we had never seen a copy of this.

Gerald read me his brief, from which there was every indication that he intended to be quite difficult with the Americans on the question of passing integrated information to third parties. He was going to say that we never had any concrete evidence of things going wrong or lack of security on our part, and that if there was any it was up to the Americans to produce it.

We then discussed the case of and his undesirable brother.with an undesirable wife. I told Gerald that we could not justify

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further enquiriesinto the brother, who had just done the I.D.C. course, and against whom absolutdy nothing was known. He said he had hoped that we could go further into the case of the bad brother. I then showed him a summary of the evidence in our file. He agreed that the whole thing was pretty flimsy and at the same time he felt sure he was right in keeping out of M.O.3 in the absence of any positive information that he had nothing to do with his brother or sister-in-law. He had ensured, however, that career should not suffer in any way and that he should be posted to a job of equal importance.

I attended a meeting, under the Chairmanship of Sir Eric de Normann, at which 'C', Barnett and Saffery from the Post Office, and Black and Marshall of the Ministry of Works were present.

It was made clear to us that the Metropole Hotel was an unsatisfactory building, grossly insecure in time of war, and required considerable alteration to make it suitable for our purposes in time of peace. Apart from this, if we moved in, the matter would clearly have considerable publicity, as those concerned have long been clamouring to get it back for hotel accommodation.

The Post Office said that the move would involve them in a cost of at least £25,000, and would take not less than nine months. The same cost and time would be involved in a further move to Horseferry Road at a later date. The proposition, therefore, seemed a bad one to all those present.

The building in Horseferry Road will be linked by underground passages with Whitehall as apart of a general defence scheme. It will also have a certain amount of underground accommodation, which would form a secure War Room for both our Services. It is to accommodate 6,000 people and will cost something between five and six millions. It was estimated that the plans cannot be completed for another eighteen months and the building would not be erected before 1957.

I asked whether it would not be possible to construct that wing of the building which would be occupied by our two Services in advance. As Sir Eric de Normann seemed to think that this was a good idea and should be feasible, he has undertaken to explore the position and will be calling a meeting after Christmas with the architect, when he will wish to hear from us precisely what our requirements are.

Black told me that at this future meeting they would be glad to have not only our peace time figures for accommodation, but also our war time expansion figures, since it was proposed to put into the main building certain departments which on the outbreak of war would be sent to the country; we would then take over their accommodation.

Major Le Feuvre of the J.I.S. rang to say that he wanted some assistance from us on the J.I.S. paper on Communism in Africa. The C.R.O. apparently were endeavouring to water things down. I said that in so far as the West and East Africa were concerned, there was no evidence of Communism as it was understood in Europe, there was no local Communist Party. There was, however, a lot of nationalism, which received considerable encouragement from all sorts of people who went out to preach British democracy. It was true that niggers coming here often went to the C.P. This did not mean that they were Communists or that they understood anything about Karl Marx or dialectical materialism: it merely

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meant that they found the Communists sympathetic because they had no racial descrimination and were all in favour of the niggers running their own show. Le Feuvre said he would like to discuss this matter with a representative from here in the New Year.

We have received a letter to the Colonial Office regarding which criticises a report by one RYSDYK, a Dutchman, who has recently been to Nigeria and is now in this country. This Dutchman alleges that while travelling with she disclosed to him that she was a Communist and a member of an organisation which was using education as a means for spreading Communist propaganda. We feel this goes a bit far, although we are quite convinced that of the Colonial Bureau of the Fabian Society can only cause trouble in the Colony, however good her intentions may be.

21st December.

We had a further Directors Meeting, ofDick, Charles, Roger and myself, Horrocks being away ill. Charles gave us a gloomy picture of his finances. There was no possibility of extracting any further money out of the Treasury and we were in fact lucky to have escaped a cut, other than what we have had to accept under devaluation. Horrocks, I gather, had budgeted for a considerable increase in personnel, officers and O.Rs, including the Registry, but his figures were not very realistic, since nobody imagined that we should have this personnel by 1st April. Somehow we should have to bring our budget within the Treasury allotment and this might well affect the arrangements which had been arrived at with S,I.S. in the Middle East and Far East. Charles said that he had already sent a telegram to the D.G., warning him that no increase in our budget could be accepted. It is possible that this might affect the move to Moascar from Fayid, but personally I think we should try and effect cuts elsewhere, since if there is to be any reality in our integration with S.I.S., it must be on the basis of a joint building.

Skardon interrogated FUCHS this morning. He went over the whole ground, beginning with his early career. FUCHS admitted everything that we knew and, in fact, volunteered the information with certain additions. He had been associated with the K.P.D. in his activities against the Nazis, and after Hitler came into power he went to Paris where he had been in touch with Otto KATZ and others. He had not, however, engaged in any such activities after his arrival in this country, to which he was extremely grateful for the hospitality that it had extended to him, and for his naturalisation. Finally, Skardon came to the point, when he suggested that FUCHS had been passing information to the Russians. FUCHS smiled and said he did not quite understand. Skardon then put the point quite bluntly, when FUCHS denied flatly that he had ever done anything of the kind; he could not see why he should want to. Skardon took him very carefully over the ground during the period when he was in America, and told him that our information was positive and that we could not disclose our informants, and said that if it was not FUCHS it "could only be his twin brother". FUCHS said that he could offer no explanation as to how this mistake occurred. He admitted having visited his sister and even possibly to have taken papers with him; he could not conceive, however, that his sister would have betrayed him, even if she had an opportunity to do so. Skardon spoke to him about his father. He said that he had mentioned his father's appointment to the Security Officer, as he was afraid that his father might not find the Soviet zone congenial and might be rather outspoken in his views, which might bring him to the notice of the Russians and even cause his arrest.

He preferred that the authorities should know all this possible situation in advance. It had not apparently occurred to him that if his father were arrested, pressure might be brought to bear on himself, but he admitted that this was a possibility. He was told that this interview was entirely a personal matter between himself and Skardon and that the accusations that we were making were not known to the authorities; it was, therefore, in his interests to keep his mouth shut. FUCHS' demeanour throughout was wholly consistent with guilt or with his innocence and we are, therefore, left with an extremely awkward situation on our hands.

22nd December.

Perrin came over, when we discussed the FUCHS interrogation. It was agreed that we would prepare a note in two columns containing the raw material and our explanation of it. We discussed various possibilities; e.g. that of sending someone to America to see whether we could prise loose any more information which would have a bearing on the FUCHS case and might be the outcome of a similar case which we believe to be running in the U.S. It was felt, however, that this should not hold up any decision as to FUCHS' disposal; we were in the position of saying to him that having considered the whole matter he could not continue to work at Harwell, and we would find him a job at some University compatible with his qualifications. The position of his father in the Eastern zone would be the explanation to the outside world. As far as he knew, the accusations would be purely between himself and our department.

Perrin thought that we ought to have a meeting with Portal and Cockcroft, and that at this stage we should not call in Rowlands. He tried to get Portal before Christmas, but this was not possible, so the meeting was arranged for Wednesday morning at 10. a.m.

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I went over to see 'C' in order to tell him about the tragic affair of Thomas, who has had an operation for tumour on the brain and may well be totally incapacitated. I asked him whether he could either lend us an officer of S.O., of the type of Heseldine, or recommend somebody on a permanent basis. He said he would speak to Sinclair.

I then discussed with him the [redacted] incident. He was anxious that I should talk it over with Sinclair next week. He then asked me about young WILLERT, son of Sir Arthur Willert, who he said had confessed to the man Chambers, of the "Pumpkin" incident in America, that he had an espionage past. I said that I knew that WILLERT was going to be interrogated but I had not heard that this was the result.

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23rd December.

I had a talk with Irvine about the S.I.C. and the talk that I had with We agreed that Irvine had no alternative but to carry out his instructions to visit all members of the S.I.C. in Western Europe and get their impressions on what it was possible to do in preparation for an integrated War Room. When these views had been obtained, we could discuss them and decide upon the line to be taken at the next meeting. I particularly stressed the point that whatever the French constitutional position was in time of war, it was fairly clear that in time of peace the Surete had a strong counter-espionage commitment. It followed, therefore, that they would have to be consulted in the preparation of documents which would form a part of the archives of the War Room. It would clearly be a mistake to leave this until the moment when war broke out.

28th December.

I attended a meeting at the Ministry of Supply, accompanied by Dick, Arthur Martin and Skardon. Lord Portal took the Chair and Perrin and Sir John Cockcroft were present. We went over the whole ground and, in fact, stated the basic information in considerable detail. Skardon gave an account of FUCHS' attitude during the interrogation, and we expressed the view that what he had said was consistent with his guilt or with his innocence. It was explained to Lord Portal that the interrogation had been kept in two parts; that he had been told on the one hand that the presence of his father in the Eastern zone constituted a serious security question which might involve his having to give up his work at Harwell (this was under consideration by the atomic energy authorities). The accusation, however, as to whether he was a spy was entirely a matter between our office and himself. It was also made clear that FUCHS clearly wanted to remain at Harwell; he was confident that he could get a job at one of the Universities and that in view of what had been said to him, he would certainly have to consider the question of his resignation. Portal seemed to take the view that in the light of all the evidence, the risk of keeping FUCHS at Harwell was a one which could not be accepted. He would, however, like to think the matter over. Meanwhile, we would think of some pretext for a further talk with FUCHS in case he showed any signs of breaking.

I went to see Sincalri about a successor for Thomas. I said that we had an immediate commitment which required an experienced officer of the type of Heseldine. I asked him whether he could either loan us an officer for a period of six months, or whether he knew of anyone with the

right qualifications whom we could take on as a permanency. He took a note of the particulars and promised to let me know.

I then discussed interview with me and told him about the present proposal that Irvine should visit all members of the S.I.C. and get their views on what can be done in a preparatory way in regard to a War Room. Personally, I thought something could be done without impinging on questions of organisation, either national or international. We could, for example, get uniformity in the types of information that we would eache beputting into the War Room, and we cloudd also agree on personnel, languages, etc. We should, however, have a better idea as to whether there was any common ground when we had the views of the interested parties. He agreed and thought that when Irvine's report was issued we should get together for a further consultation. He said there was an added complication, in that as things were Monty was only responsible for Ack-Ack in the Northern Zone of France; it seemed to follow, therefore, that the Supreme Commander of the Land Forces would have no say in the arrest of Communists, for example, in a place like Marseilles, even if they had authority in the zone of the Armies (?). Even this seemed somewhat doubtful, and nobody was yet clear what the machinery should be. He said that he would try and make some unofficial soundings in Fontainebleau. I explained to him in some detail the system of the Services Speciaux. He agreed with me that it had considerable dangers, particularly in view of the fact that the head of the Services Speciaux would be of equal rank to the Chief of Staff. He did not think that any other country would accept such a system. In the case of S.I.S. their theatre organisation would have liaison officers with a G.1, G.2., G.3., & G.4, but they did not envisage the head of it being of higher rank than Brigadier. He would, however, have the right of direct access to the Supreme Commander, although this would only be exercised on rare occasions.

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29th December.

came to see me about vetting of immigrants going to the U.S. According to present arrangements, we vet all foreign immigrants, but only such British immigrants as give cause for doubt in the Americans' minds. Rather a wide view if taken of this latter category, with the result that we have numerous applications for information about British subjects. wondered whether we could arrive at any arrangement which would prevent the number of references made to this office. There is, in fact, only one that I could think of - which I did not mention - namely, that we should supply the Americans with a list of our Communists.

I explained to the Americans that the vetting commitment was a very serious one from the point of view of the work of this office, since there was a limit to what we could do, and if we exceeded that limit we could only do so by trespassing on the time and work of those who were in fact engaged in building up the records on which the vet was made. If, however, he would submit a breakdown of aliens and British subject applying for immigrant visas, we would reconsider the whole question and see what we could do. He said that he was being strongly pressed by the State Department to ensure that no British Communists reached the U.S. as immigrants.

Kellar told me that he had had a conversation with Johnson about the case of He had endeavoured to pacify him in regard to the delays which had occurred. These were due to the fact that we had been in the process of putting up the case of and that

we had not realised that he had subsequently become interested and that from his point of view the matter was urgent. This had been conveyed to Kellar who had passed it on to one of his sections before he left for Malta. Meanwhile, Burt had sent in a report to the Colonial Office of a rather sensational nature. Johnson had obviously put it up to higher authority, without collating it with our information or being in a position to assess its reliability. This report had subsequently reached us and caused us to revise our original draft. Apart from this, the whole issue was complicated by the fact that was a friend of Cohen's - and probably Creech-Jones - all of whom are Fabians. Johnson had coupled this with another grievance about courses for Police Officers in Singapore, where he alleged that we had let him down. Johson told Kellar that he had never been treated in this way before, and that he thought there was something sinister behind it. He proposed, therefore, to raise the matter with the D.G. on his return. I can only presume that his Police mind causes him to think that in the D.G's absence we have made a point of ignoring him.

I talked to Miss Bagot and Kitchin about an African paper on Communism, the draft of which has been put up by the J.I.C. It is a thoroughly bad paper, one of the worst that I have ever seen. Meanwhile, another one has come in prepared by F.O.R.D., largely based on information supplied by us. I have suggested to Gardiner that this one should form the basis of the document, and that the other one should be scrapped. He asked that our representative should go over and discuss the matter with the J.I.S. on Monday.

D.D.N.I. rang up about the vetting of Security Services in Italy, Portugal, Denmark and Norway, which we have undertaken under the Atlantic Pact. I explained to him that we were waiting for a clearance, since the relevant passage in the discussions at Washington had been left out, from which it followed that if our representative turned up in Italy nobody would know who he was or why he had come. I gather that the matter was somewhat urgent, as until the clearance is given certain documents and equipment cannot be supplied to the Italians under the Atlantic Charter agreement. He said he would do what he could and that the matter might be raised with the C.O.S. The American Admiral, Connolly, is apparently worried about the position.

30th December.

I discussed with Perfect and Thistle operation "Lancashire Hotpot". It is proposed that we should sent up an officer to run telephone checks alongside the Lancs. County Police, with a view to getting to the bottom of the curious documents which have been intercepted by their informant. Before raising the matter with C.C. Lancs., I thought that we ought to assess the position very carefully and decide precisely what was worth while and howtfar the Post Office could assist. I told Thistle he had better work the matter out with Malcolm Cumming.

Lofty came in to say good-bye. He is going in for pig farming. He will be much missed.

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Marriott and Martin came in to tell me that a telegram from Washington considerably amplified the previous one in connection with the FUCHS case. While in some ways it strengthened the case against FUCHS, there was a corrupt group with a date September 20th, which, if it applied to FUCHS' movements, did not fit the case. It is evident that we are on somewhat shifting sand, and that it is never possible to be certain that we have got the correct solution unless we have all the groups in the sentence. This is rather disturbing. Meanwhile, I understand that arrangements have been made to send a good deal of the raw material over here. This should help us to a considerable degree, but it is really a pity that it could not have been done before.

At a meeting of the Cabinet on December 8th, a decision was reached about the employment of Communists in industry. It amounts to this; that we should continue the present policy, by which under the terms of the contract the Minister concerned has the right to object to the employment of any particular individual on work connected with this contract. No public announcement is to be made and no tribunal is to be set up.

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