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some chaplains who would submit to voluntary internment in Germany for the duration of the war and that the Nazis would reciprocate. We are saying that provided the Nazis are prepared to use pastors who are already in this country we are prepared to accept them as internees. If we do this we shall have to segregate WEHRHAHN who is notoriously pro-Nazi. The others are fairly harmless. We do not however wish to have any more Gestapo agents disguised as pastors.

The Home Office are still sending us enemy aliens from abroad. They are so-called refugees who succeeded in getting into neutral countries just before the war. We regard these people with the utmost suspicion since S.I.S. have ascertained that the Gestapo are putting a "J" on the passports of agents who they want to get into this country.

NOVEMBER 27th

Col. Mcleod is very worried about a suggestion that he has had from H.O. that he should provide a list of all internees for transmission to the German Govt. He thinks this undersirable and he is prepared for a show-down. Our view is that we do not wish to let the Germans know if we have accidentally interned one of their agents. Probably the best approach is to say that since the Germans have a complete list of all German subjects in this country they will be able to ascertain who are at large. They will assume that these people are working for the British Govt. and persecute their relations in Germany.

I telephoned to Dulanty who is trying to arrange for Archer to come over to discuss a number of problems including the coast

watching organisation.

Passport Control are asking for a policy about Xmas travel. They anticipate that a large number of children of alien origin will want to travel between this country and the continent. Our view is that they should not be allowed to travel on the grounds that H.M. ships might be more profitably employed in conveying trade vessels, but to conform to the present tone of the war on the Home Front we are saying that owing to the magnetic mines and submarines we think that the children should be prevented from travelling on humanitarian grounds.

I accompanied D.S.S. to a meeting at 3 p.m. in Lord Hankey's room at the Treasury, to discuss the possible setting-up of an organisation by S.I.S. in Eire. D.N.I., Salde and Commander Stenford represented the Admiralty, Menzies and Vivian S.I.S., Stevenson Dominions Office and Elliott C.I.D.

D.N.I. pressed for an organisation on the lines that S.I.S. had one in other countries and that Eire was a serious gap in the organisation. He was dissatisfied with the information that he was getting from the Eire Government and he did not feel that any confidence could be placed in their coast watching service, even ~~which~~ we gave them technical assistance. Vivian pointed out that even if he set up an organisation he would have to draw on indigenous material which would have all the inherent defects of the Irish, in so far as exaggerated and inaccurate gossip was concerned. It would be impossible to import British subjects. If a coast watching service was to be set up it would have to be equipped with wireless

AND FOR IT TO BE REALLY EFFECTIVE MORE THAN 1,000 people would have to be employed. In his view the matter would be bound to come to the knowledge of the Eire Authorities within a few weeks.

Lord Hankey then asked D.N.I. what it was proposed to do when the information was obtained, since the nearest Fleet bases were at Belfast and Weymouth. It was quite clear that only by a stroke of luck could anything be done to deal with the submarines unless it was proposed to have a continuous patrol in which case the coast watching service would not be so vital. D.N.I. said that a permanent patrol would be an expensive and difficult matter. Vivian has compromised by suggesting that he may be able to extend his existing organisation in a very small way without running any great risk of detection, but this would only give general information of the kind that he was already supplying. It was agreed therefore that he should be authorised to go ahead and that the complete S.I.S. coastal watching service with wireless should be dropped. As an alternative to this steps could be taken to get Col.Archer over, improve his existing methods of communication and give him any technical assistance that was possible.

NOVEMBER 28th

T.A.R. is worried about the large numbers of reports coming in, particularly from the Air Ministry, to the effect that lights have been seen flashing at various parts of the country. I have suggested that as a policy the Air Ministry should encourage their units to report these matters direct to the local police.

at the same time submitting a copy to Stammers for transmission to us. We in the meantime communicate with C.C.s asking them to let us have particulars of their investigations in any cases where the matter is not satisfactorily cleared up or points to illegal activities.

A Board Meeting was held today. D.S.S. said that Lord Hankey had discussed with him the allegations that the Germans were broadcasting information of a confidential kind. We had apparently reported that out of 55 cases investigated, only 7 seemed to disclose that anything of the kind was going on. Harker explained that it was a curious fact that whenever a report was made it always related to some local matter. For example we never got a report from Edinburgh about any activities in Hants. This might of course be due the fact that people were only interested in their local affairs, but it seemed more probable that the broadcasts were not coming from Germany but from somebody in this country tuning in on the German wavelength. In the meantime the whole situation had been complicated by the fact that the B.B.C. were not covering the whole ground and that M.I.8.c had undertaken to do this work.

Lord Hankey said that Winston was still agitating for information about leakage of information. We now have every C.C. and S.C.O. working on the problem and possibly we shall end by finding the solution. The fact remains however that in the vast majority of cases the stories are not founded on fact.

I raised the question of the control of information received through the telephone censorship on Eire. It was agreed that the

police should control any action taken if possible after reference to ourselves. It will be necessary to get this position established with the Admiralty, whose local representatives are inclined to incite C.C.s to go off the deep end. I also raised the question of dealing with certain suspect firms under D.R.55(4). It was agreed that this matter should be one in the first instance for the C.I.D. and that D.S.S. would hand the documents personally to Bridges.

Adam spoke about the suggested committee for formulating a policy on travel. Ten days have now elapsed and we are no further than we were before.

D.D.S. was asked to make representations to Maxwell.

We have applied for an internment order for Margot Erna EISFELD, a domestic servant who is acting in a suspicious manner. She had been before the committee and been exempted from internment and restrictions.

Applications have begun to come in from employers who wish to make use of the services of aliens in restricted occupations. A section has been set up for dealing with this matter.

The Deuxieme Bureau have informed us that the Germans are sending agents over with Hungarian passports.

Maxwell has written a long letter complaining about the slowness in the proceedings of the Advisory Committee. The complaint is that M.I.5 are not presenting the cases quickly enough. Pilcher has provided an excellent reply to Maxwell's statement that we are

placing the Home Secretary in an indefensible position. The fact is that a great many cases have been dealt with and that we are giving the committee 12 cases a week, the maximum with which they can cope being 15.

There is a good deal of dissension between Monarchists and Communists at the Austrian Centre, the secretary of which is Miss KOLMAR. It seems that Count STACHWITZ, representative of the monarchist section has resigned.

We have had forwarded to us by the H.O. a long letter from WEISBLATT's solicitors. We originally refused WEISBLATT a visa, mainly on information we received from the 2nd Bureau that they regarded him as highly suspect. It now seems that the Bureau de Circulation has drawn on the files of the 2nd Bureau and reported to WEISBLATT that M.I.5. are at the back of the refusal. It is pointed out that WEISBLATT is regarded very highly by a number of the French Govt. and that he has a permit which allows him to visit any military area. We are taking this matter up with the 2nd Bureau through S.I.S. Cooperation will be impossible unless they can give us a guarantee that in future the 2nd Bureau do not pass our information to unauthorised people.

NOVEMBER 29th

As regards the Russo-German case of F.R.BROWN, I have suggested that Jane should see all the applications for employment in restricted occupations coming from the Reading area.

Maxwell has turned down the proposition to hold a World Youth Congress in this country. In his minute he says "I think the line to take is that we have no objection to the Congress as such but in a state of war it is

obviously necessary to exercise specially close control on all visits by foreigners. Every application has to be carefully enquired into with the result that more work is placed on the heavily burdened security service. Therefore the policy of the Govt. must be only to grant facilities to international conferences if there are specially strong grounds for holding such conferences and subject to consideration of F.O. views." It is perhaps too much to hope that this indicates a change of heart in the Home Office.

The old system of D.Notices is still going on. I am taking the matter up.

We have intercepted two D.Notices going to the International Graphic. The editor is a member of the B.U.F., pro-Nazi and generally suspect. D.S.S. is bringing this to the notice of Admiral Usborne in the Ministry of Information,

NOVEMBER 30th

Russia has invaded Finland in true Nazi style.

Air Ministry Intelligence reports show that the Heinkel 111 carries self-sealing petrol tanks. If they are penetrated by bullets the hole closes up.

It has been decided that Maude should become O.C. leakages of information. The idea is that we should collate all information denoting leakage of information.

Menzies has been appointed head of S.I.S. but there is no news yet about his second-in-command. A certain amount of pressure is being brought to bear with a view to the

appointment of someone from the Navy. It is to be hoped that this will not succeed, and that V.V. will get the post, which in any case is a purely nominal one.

A German balloon has been picked up in Couden Bay. The examination shows that it probably has a ceiling of something over 6,000 ft. but tests of the wire indicate that it would probably not be flown in a high wind. The Germans apparently use kites instead for rough weather.

There are reports that the German Air Force are violating Belgian and Swiss neutrality.

As a result of a conference of B. Sections Jock Whyte is inclined to think that a woman called KRAFT is probably identical with the woman who is paying SNOW. She has drawn £25 on three occasions from her account roughly on the dates on which Snow was paid. She lives in the Southampton district and she also deals at Selfridges. Two girls at Selfridges have seen her photograph and are inclined to think that she is the woman who changed the treasury notes for a £5 note, but they are not very sure.

S.I.S. report that Polish officers are being employed by the Germans and are being sent to Kovno and Riga to apply for a visa for England and France in order that they may join the Polish Legion.

DECEMBER 1st

Spoke to V.V. and suggested that he should meet U.35, who could tell him a good deal about the Passport Control office at the Hague and of certain suspicions he had about a leakage of information from that office.

A report has come in from the SCO Harwich about Verrey lights seen in the vicinity on the dates that the German aeroplanes laid mines in the harbour. The instructions to the anti-aircraft units seemed to have been very remarkable. On the first occasion they had orders that unless the enemy aircraft was acting in a hostile manner they were not to open fire. One begins to wonder whether we are really at war at all. The local naval authorities were informed of the incident and destroyers were ordered to take a special course on leaving the harbour. HMS Gypsy did not apparently follow this course very accurately and was blown up.

I have suggested the following action regarding the lights: Simpson who is dealing with the matter will get into touch with the Air Ministry and find out whether their Observer Corps can assist by getting a bearing on these lights. They can then establish the exact locality and get the police to carry out observation. At the moment it does not seem to be anybody's business and it is by no means certain what these lights are. Simpson is going down to Harwich to see the SCO and institute enquiries.

We are being bothered a great deal by Polish refugees whose applications are being supported by Balinski of the Polish Embassy. In some cases it is even doubtful whether these people will be able to support themselves.

I have suggested to sections that they should keep a small card-index under counties of any suspects they come across. This will help them to identify the wanted people whose names are circulated in the M.I.5 Gazette.

I have had a long discussion with Maude about getting out a memo on the whole situation as it affects this office. It is my intention to deal with tribunals, vetting and travel, and show that unless there is a considerable tightening up there may be very grave results when the war really begins.

An article on saving appeared in the Times on the 14th Nov. under the signature of Maynard Keynes. A resume of this article was in the Frankfurter Zeitung on the 7th Nov. This is apparently due to the fact that newspapers have a practice of showing their galley-proofs to neutral journalists. The article might have been one which needed severe censorship, in which case the information of importance might have leaked to Germany. Maude is taking this up with a friend of his on the Times.

DECEMBER 2nd

Special material shows that Maiski sent a confidential document to the Persian Minister in which he speaks vaguely of a secret Soviet-Iran agreement on certain points. Maiski has told the Iran Minister here that he will shortly receive instructions on the application of this proposed agreement to this country.

A man called WHINFIELD, member of the BUF, has been arrested in Switzerland. He is already suspected by us of being an intermediary in the transmission of funds from Germany, to the BUF. His father disapproves of his activities but his mother corresponds with him through a Mrs. Elam who runs the Anti-Vivisection Society. S.B. have an informant who regards the activities of Mrs. Elam with the gravest suspicion. She appears to have about half a dozen BUF

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employees. She has recently received a donation of £10,000. It is thought possible that she may be the intermediary for the transmission of funds.

S.B. do not think that there are sufficient grounds at the moment for obtaining a search warrant.

ABSHAGEN's landlady has reported that he left behind a large number of documents. We are having these examined.

S.Africa have reported that STANECK, previously mentioned, has arrived there and was refused leave to land. They are concerned, and rightly so that we should have given him an exit permit in view of the report that they had previously submitted to us. They have warned Tanganyika, Kenya etc. and it seems likely that Mr. STANECK will remain on board his ship until it is torpedoed.

Two Polish NCO's are in touch with a man named AZEVITCH and another called WENZEL, who have all the appearance of being Soviet agents. We are having these men kept under observation.

The U.S. Navy Dept. have informed us that the German-American Bund has moved to Mexico City whence it intends to organise sabotage in the U.S.A.

On the 25th Nov. out of a total of 62,000 Germans and 12,000 Austrians, 31,003 had been exempted by tribunals from all restrictions, 6,258 were on restrictions and 1,009 had been declared stateless and placed in the category of ordinary aliens. 35,000 enemy aliens are still to go before the tribunals.

It seems therefore that there will be a category numbering some 10,000 concerning whom the tribunals have certain reservations. We are suggesting that these should be interned as a category.

Sutcliffe Speakman & Co. who make 80% of the activated carbon for gas masks, report that on the 19th Nov. a German plane circled rather pointedly over their factory at Leigh Lancs and then made off. They say that the company which is producing the remaining 20% of activated carbon was under German control and direction and was obviously aware of what they were doing. The visit of the aeroplane may well have been due to facts which have come to the knowledge of the German-controlled firm.

DECEMBER 3rd

Recent SIS reports indicate the following
Germans fear apathy and the Gestapo are recommending action in the west as a cure. Conditions in German Poland are chaotic. They are being handled ruthlessly. German firms are instructed to buy gold in China. As Musso does not want to come in Germany's side because of the church, the King and the feeling of the Italian people. Discussions between Japan, Russia and Germany are said to have been going on in Berlin. They relate to spheres of influence in China. It is thought that if Terauchi succeeds the present Prime Minister in Japan the non-aggression pact between Russia and Japan may result. The present cabinet favour a policy of conciliation towards the democracies. Yugo-Slavia is apprehensive about the French plans for the restoration of the Hapsburgs and a Danubian federation. They dislike both Russia and Italy but will be forced to go with Italy.

if this idea persists. An agreement between Roumania and Bulgaria is reported. It relates to territorial concessions in the Dobrudja. The Germans seem to be dropping their Ukrainian connections. The latest report from Eire implies that the situation is very grave as 80% of the Army are said to be pro-IRA. A possible attack by the IRA on the North sometime between December and March is thought possible.

A man called MILLBANK, a member of the BUF, has reported to SB that a Miss Dorie Knowles has asked him to communicate certain information to Germany relating to explosives being manufactured by the firm in which she works. Both the girl and Millbank have been interviewed and we are suggesting to SB that her house should be searched. She is only 17 but none the less sophisticated and a confirmed liar. Her mother, who is of German origin, is in a mental home.

Special material indicates that Afghanistan has now joined the Moslem bloc. There was apparently an abortive rising in Afghanistan some time ago to restore Amanullah. The country generally is rather disturbed. The Afghan Minister thinks he is better off in London than in Kabul.

There are signs that Turkey and Italy are coming together.

On Nov. 11th Italian and Spanish Govts. apparently protested to Berlin about a possible violation of Dutch and Belgian territory.

Watson Watts' apparatus appears to be working very successfully at Scapa where masts have been erected. The guard on these masts is very strict. It is also that we have an

improvedt Asdic system of detecting enemy
sea-craft at long distances

DECEMBER 4th

31 DEand NSDAP women have been repatriated from Holloway Jail today. There has been no exchange for the feeble reason that the Germans say that our women in Germany have been interned for technical offences such as breaches of currency regulations. The situation here reached a crisis because the H. O. have never faced up to an internment camp for women. The Germans resented the fact that their women were in prison and said they would imprison our women, hence the hasty departure of the ladies from Holloway without any quid pro quo.

It appears from a Chinese B.J. that Stafford Cripps is being sent on a special mission to China by HMG. He is going via India and will report on the economic and military situation.

DNI has asked us for a report on the German Consul in Dublin. It has not been made clear to us why this information is required. I am inclined to think that it is a move in the campaign for the setting up of an SIS organisation in Eire. DNI probably wants to say to the First Lord that our information, which we received from the Ministry of Defence, is inadequate.

DECEMBER 5th

I had 20 minutes with Dick Casey at his hotel. I gave him as much information on the general situation as I could and drew his special attention to the penetration of our rearmament industry by German firms, particularly

machine tool makers. He said that the same thing had happened to some extent in Australia. Most factories which he had visited had one or two German machines. The Australians apparently had difficulty in obtaining other machines and found the German ones extremely efficient. I pointed out the possibilities of espionage through servicing etc. but said that probably since the outbreak of war this situation might have cleared up through internment, although this was very far from being the case here.

I then asked Casey for his impressions. He said he had seen almost everybody here but that between ourselves he had gained the impression that we had no very definite plan. People seemed to know what they would do if the Germans adopted a certain course, but the whole tendency was to wait on events and not take the initiative. I said that this was very much my own impression and that the results of this policy or lack of policy permeated our office and many others. It was in fact extremely difficult for us to operate in the present atmosphere.

Casey had to hurry back by air owing to the Cabinet crisis, and was leaving in 2 days. He told me confidentially that he might shortly be appointed the First Australian Minister to Washington. He was not very keen about this but I gather that it was in no way a reflection on the work he had been doing as Minister of Supply. The probability is that there is no other suitable person for the job, which as in the case of Bruce, the ex-premier, is one of considerable importance.

After seeing Casey I went on to see Borum. He had some information to impart and also wished

to tell me about the new passport regulations. The Americans are calling in all passports on the 1st Jan. for validation. It will be necessary for the holders to present themselves at the nearest consul with 2 new photographs. The passport will be endorsed by the validating officer and will be limited to countries to which it is essential that the individual should travel. The validating officer will put his thumb print on the side of the endorsement and also on the new photograph as a guarantee against the removal and changing of photographs which has been extensively practised in the past.

We had a board meeting today. Barnes' letter was discussed and it was decided that we should put up our views to the W.O. in support of internment of Category B, i.e. aliens with roots in Germany. D.S.S. had a suggestion that we might have some kind of organisation for picking up information in pubs in certain areas. This is to be further discussed. D.D.S. explained that the Permits Committee was still hanging fire and that Cooper seemed to be a little suspicious as to its intentions. D.N.I. has sent over a report and memo with suggestions which are to be discussed with Archer when he comes over.

SIS reports show that Italy is trying to cash in on the Moslem fear of Russia. She hopes to be champion of Islam and aims at being supreme in the Mediterranean at the close of the war. Her propaganda is to take the line of a fascist-Moslem alliance against Bolshevism.

The Yugoslav M.A. in Berlin is of the opinion that the attack on the west has been avoided and that Germany is concentrating on threats

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to neutrals. Hungary is the danger spot and she may be forced to allow the passage of troops through her country to Roumania. The German General Staff think that the war will end in a stalemate and are in favour of an early peace. The Germans would have to agree to terms somewhat on the following lines:

Restoration of Bohemia, Moravia and Slovakia. An independent Poland less the German parts. A new Polish State jointly guaranteed by the Powers. Its eastern frontiers to be discussed between the Western Powers and the USSR. Lastly, an agreement to a plan for disarmament. The Germans will not consider any question of Austrian independence or a Hapsburg restoration. It is estimated that about 80% of the population are still behind the Fuehrer though they may dislike other party leaders.

DECEMBER 6th

I attended a meeting at the Home Office with D.D.S. in Mr. Osbert Peake's room. Maxwell, and Cooper, were also present. Cooper had told D.D.S. that Eleanor Rathbone was coming to see Osbert Peake with a request that all refugees who had been placed on restrictions by the tribunals as enemy aliens should in future be treated like ordinary aliens, or at any rate should have facilities for appealing. It was thought desirable therefore that Peake should know something of our views before seeing Miss Rathbone. D.D.S. explained that so far from releasing them from restrictions it was our view that all those in category B., of whom the tribunals obviously had certain doubts, should be interned. By the time the tribunals have finished their work the number should

be roughly 10,000. Peake did not think that we could refuse the right of appeal in these cases but had it mind that he might possibly tell Miss Rathbone that the right of appeal might not perhaps operate in the sense which she imagined. We explained that we viewed with considerable apprehension the large numbers of people who had been left at large, particularly those who were not refugees and who had their roots in Germany. It seems that the tribunals and even the Advisory Committee had failed to appreciate that a German who had been a member of the Nazi Party had to be regarded as a potential danger. I instanced various examples such as the case of Otto BODE. The real point at issue was to decide what was going to be done with Cat.B. people as soon as the tribunals had finished their work. We felt that they would have to be sifted in some way or another and that internment of whole categories would be advisable. D.D.S. drew attention to the letter that we had received from Barnes M.P. through the W.O. and said that the views expressed more or less coincided with our own. We had put up a reply to the S. of S. for War and felt bound to say something to this effect. We wish however if possible to act in conformity with H.O. policy. Personally I feel that we should take a different line regarding this matter and should say that the internment of enemy aliens was a question which vitally affected the Service Depts and that we could not trim our sails to suit H.O. views. We should therefore have to register our very frank opinion to the Service Depts.

Before the meeting broke up I asked if I could say a few words about the whole position as we saw it when confronted with the task of

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catching spies. We had between 60 and 70,000 enemy aliens who would work themselves into a variety of occupations. There seemed little prospect of getting the groundscleared in order that we might be able to get down to the people who really mattered. This question was closely bound up with that of travel and of vetting people for various purposes. Unless travel was very much restricted and more people interned we could not feel that there was much prospect of carrying out investigations successfully. As regards vetting I pointed out that the wheels of this office were clogged by having to decide such questions as whether an enemy alien should have a permit to export parcels without censorship. The remedy in our view was to deal with whole categories of people instead of having every individual case referred to us on its merits. I thought that Maxwell and Peake realised that there were difficulties, but I doubt very much whether they will take any steps to solve them in our sense. Maxwell suggested that as a preliminary to dealing with the question of travel he would call for a return of people travelling daily which would show their nationality and their business.

D.N.I. has written to the Home Secretary about Von TESCHKOW. D.S.S. has seen him and has shown him a copy of the evidence that we put before the tribunal. D.N.I. asked whether he should appear in person on her behalf. D.S.S. said that this was not really a matter for him to decide, but his private advice would be to leave the matter alone and let the case take its course before the Advisory Committee.

The case of Mrs. KRAFT has developed in a very interesting way. An intercepted letter showed that she was going to see W.H. MULLER,

a somewhat suspect travel and forwarding agents. Stopford got hold of the two girls from Selfridges and identified her on her arrival at the station in London. They picked her up again outside MULLER & Co. and are quite convinced that she was the woman who changed the notes into fivers which were subsequently sent to "Snow". After leaving MULLER she visited a steamship company apparently with the intention of proceeding to Fiji where it is alleged her husband, who died in 1921, has property. The question as to whether she should or should not have a permit is at present under discussion.

Another interesting fact has come to light. Mrs. KRAFT has been in communication with Swan & Edgars regarding the despatch of certain articles of clothing to her niece Editha DARGLE in Copenhagen. Mrs. KRAFT was anxious to pack and despatch the goods herself under the export permit granted to Swan & Edgar. The firm replied that they would have to send the goods themselves direct from the shop. The inference is that Mrs. K. may wish to pack certain messages or correspondence in the clothes. We are trying to get Swan & Edgar to write her a letter saying that they have reconsidered their decision and find that they can acquiesce in her request.

Dick is sending his informant out with U.35 to Belgium. She is to communicate there with the local German authorities and offer her services to the German Govt. as an employee in the Censorship here. If she does not get a satisfactory answer she may proceed to Holland and re-establish her old contacts.

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A man called HITCHCOCK of the A.E.U. wishes to travel to Toulon with a party of 5 other engineers to erect a wireless mast for the French Govt. This man is a member of the C.P. Cooper, to whom I spoke, would not take the responsibility for the refusal of a permit, and wishes to refer the whole matter to the S. of S. D.S.S. is discussing this with Maxwell and is trying to obtain a ruling. We had a similar case affecting Forrest of the News Chronicle a short time ago. Forrest is now applying to go to Sweden and Finland. The question is, should Communists be allowed to travel since their journeys cannot possibly assist the efficient prosecution of the war. They must in fact be regarded as spies. It will be interesting to see if the H.O. face up to this question, which may be a difficult one to defend in the House.

Dulanty has telephoned to say that Archer is going round every inlet with the Naval Attache and that he will not be back for 10 days. Dulanty wishes us to submit any cases that we have to him. I said that they were mostly matters which needed discussion but we would see what we could do. I also mentioned that N.I.D. wanted to see Archer probably in connection with submarine activities on the west coast and the Coast Watching System. Dulanty's answer has been passed to D.N.I. and also to Lord Hankey. I gather that when Archer returns and a report has been received from our N.A., Eden is to press for a visit by Archer to this country.

Dorrie Knowles, the 17-year-old girl with a German mother, is being very difficult. She still intends to engage in espionage if she is

given a chance. It seems likely that we shall have to intern her under 18b. D.S.S. is discussing the case with Maxwell.

Cooper told me today that the German Jewish Aid Committee and other Refugee Committees are now asking the British Govt. for funds. The matter is being considered by the Chancellor of the Exchequer. I always knew it would come to this.

DECEMBER 7th

S.I.S. material shows that the Germans are contemplating a move in Eastern Europe. All Germans are now to stay in Roumania as their services may be required locally. It had formerly been decided to repatriate them. Hungary is to be punished for her intrigues with other powers and may be incorporated in the Reich. The Germans appear to be having difficulties in getting raw materials from Russia. Their trade negotiations have been unsatisfactory.

A saying is going round in Belgrade that Prince Paul is pro-British, the Govt. pro-German, the General Staff pro-French and the people pro-Russian.

Halifax has had Maisky on the mat about Finland. Maisky evidently feels his position very acutely, particularly since it was he who signed the Russo-Finnish Non-Aggression Pact when he was Minister at Helsinki.

One V.S. GITLOV or JITLOFF, travelling on an American passport, has passed through this country. He came from Prague via Germany and Ostend and is en route for U.S.A. There are strong grounds for thinking that he is a German cum Russian sabotage agent.

Dunn, the chairman of one of the London tribunals, is very annoyed about the case of Dr. WITMAN. Lord Newton made a protest about WITMAN's internment in the House of Lords. WITMAN came before the Advisory Committee and was released. Dunn has written to Kendal saying that while he does not in any way wish to question the decision of the Advisory Committee he would like to point out that nobody asked him to produce the evidence on which he ordered WITMAN's internment.

We have interned one ALSLEBEN a British subject of German origin who was associated with DRESSING brothers.

A youth under 16 arrived here from Eire with a perfect arsenal of bombs. D.P.P. says that in the present state of the law the most this boy can get is a month's detention.

DECEMBER 8th

There have been interesting developments in the WHINFIELD case. It has been found that Mrs ELAM, through whom WHINFIELD received his correspondence from his mother, has a special account into which she paid £4000 in £1 notes at the time of the first crisis and £5000 in £1 notes just before the outbreak of war. This account shows outgoing payments to one FINLAY, who may well be Archie FINLAY who was very much concerned with secret B.U.F. finance before the war and was employed as a courier for this purpose between London, Rome and Berlin.

SNOW has to go to Antwerp to meet a friend. He is also to be contacted by someone here who will give a pass-word.

D.D.S. tells me that the Home Office have now agreed that not only enemy aliens but ordinary aliens in protected areas shall be sifted and only allowed to remain on having their Identity Books stamped by the local Chief of Police. The Home Office have also decided to set up new District Tribunals to deal with cases of people under Category B. who have been placed on restrictions. This is evidently the result of our meeting with Maxwell and Peake the other day. The Tribunals are to have fresh instructions and it will be up to us to see that they are on the right lines.

Our old friend Jonas LIED^y of the Aluminium Union Ltd. has applied for an exit permit to Norway in order that he may visit his farm. This seems a little curious since

his farm must be buried deep in snow. We shall probably have to let him go as he is backed by the Norwegian Legation.

I have had long discussions today with Curry and Stopford about office organisation. I have a strong feeling that although we have a few good cases going, we are mainly sifting information which reaches us with the kind assistance of the general public. There is very little attempt to use imagination or to make a real drive to collect ~~agents~~ ~~prosecutions~~. We are of course up against many difficulties, not the least of which is trying to follow people in the black-out, but the present means for investigation which are at our disposal seem to be very meagre and when we come to the provinces we are often completely up against it. Stopford is getting out a statement on the SNOW case and its ramifications which are getting steadily wider. When we have got this we may ~~be able to make~~ ^{have} a better picture and also some new ideas as to how to proceed.

We are still without a death penalty. The Home Office is now trying to get all cases dealt with by a Jury.

I.P.I. consider the Indian position very serious but feel that it may be saved by the Russian menace which is rallying the Moslem elements throughout the world. There is evidently considerable activity going on among Left Wing elements in India. This fits in with reports received from S.I.S. that Russia has designs on India. ,

DECEMBER 9th

I discussed with Curry and Godfrey the question of sabotage. It would seem useful if Godfrey could have a talk with the people in S.I.S. who have been concerned with activities of this sort. They might have ideas about preventive methods and preventive measures. In the meantime I have written to the Americans and the Canadians asking them to let us have details of their experiences.

D.S.S. has taken up the question of exit permits for Communists with Maxwell. Maxwell has decided that in future known members of the Communist Party should not travel abroad. He makes a reservation though in the case of journalists. These cases should, he thinks, be dealt with on their merits. He was told about the case of FORREST and has suggested that he should be given his permit but that the Swedes and Finns should be warned. I cannot help feeling that this will end in trouble since FORREST might not be astonished that the French should know something about him, but when he finds that the Finns and the Swedes are also acquainted with his past he may regard the whole thing as a somewhat curious coincidence.

D.S.S. tells me that Curry's secret memorandum on the MERCEDES and other similar cases has been passed by Bridges of the C.I.D. to Maxwell. Maxwell, contrary to expectation, has been very lavish in his compliments. He said that he thought Curry's report one of the most usefully prepared documents that he had seen and he evidently appeared impressed with the contents. He is going to discuss the cases with the Board of Trade.

S.I.S. have ascertained that Michael MASON, who was arrested by the Government of Eire, was in fact acting for the D.N.I. He was in prison for a few days and interrogated by Archer. The incident is extremely unfortunate although N.I.D. have rather tried to make light of it.

GOWER, the Communist, has lost his deposit in the by-election. The ~~action of sabotage~~ against Finland was probably responsible.

One HEATH, a taxi driver, who has acted for the Germans, is being prosecuted for espionage and it is thought that he may get quite a long sentence. I have suggested that we might possibly intern him under 18B with a view to making use of his services in some way or another.

S.I.S. told me that one Kurt FELSENTAL has been arrested by the Belgians. When challenged he produced a British passport in the name of Geoffrey Benedict DAUNCEY and stated that he was working for the British Government. S.I.S. ascertained that there was a passport in this name and are proposing to inform the Belgians. I have suggested that we might say to the Belgians that as this man has stated that he is working for the British, and has a British passport, he should be put on a ship and sent over here. We could then sort him out. Nobody knows anything about him under his British or German name and it seems likely that he is a German spy. He may be useful as a bargaining counter. The Belgians have a perfect case if the Germans complain since they could say that they thought the man was spying for the British and had him deported.

DECEMBER 10th

Winchester.

DECEMBER 11th

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I discussed the case of WHINFIELD with Dick who has seen him since his arrival here. WHINFIELD has made a statement mentioning a number of people. There is no doubt that he has been in touch with at least one Gestapo agent and that the Germans are trying to entangle him in some way or another. It was decided that it would be better to keep him in isolation for as long as possible and in the meantime institute enquiries about his contacts and the people associated with Mrs ELAM. It will then be for consideration whether we should not get a search warrant on Mrs ELAM's premises.

I had a long talk with Slade this morning about Eire. He said that N.I.D. had never really contemplated an extensive watching service. All they wanted was to have some check on Archer's coast-watching organisation. I told him that I had read his memorandum for discussion with Archer and that I thought that certain things in it might give offence to the Irish. He said that the exact form in which it was to be presented to the Irish was still a matter of discussion. From a talk I had subsequently with Menzies he evidently shares our view.

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D.S.S. has shown Hollis's notes on Willie GALLACHER and Captain Alan RAMSAY to Sir Horace Wilson, who is going to show them to the P.M. in connection with the secret session of the House. These notes emphasise the fact that if anything is said of a really secret nature it is almost a certainty that the information will reach both the Germans and the Russians. Sir Horace Wilson is going to transmit the information to the P.M. with a view to his warning his colleagues.

D.S.S. has shown our note on LAWRENCE & WISHART to the S, of S. for War, in which we advocate that the refusal of a permit to LAWRENCE & WISHART to export literature should be upheld. S. of S. is quite prepared to take the responsibility and to answer any questions in the House.

DECEMBER 12th

I have had another discussion with Curry about sabotage and the suggestion has been put forward that we might usefully collaborate with Crocker. We have a case where certain shipping firms here and in Canada should obviously be warned against ~~GERMAN~~ a German shipping agency in America who are suspected of engaging in sabotage. It seems likely that Lloyds must have given very close consideration to this whole problem and doubtless Crocker will know all about it.

We had a board meeting this morning. The main topic of discussion was the Registry. Efforts are being made to split up files as far as is reasonably possible. It is hoped in this way to prevent at any rate Subject and Policy files from getting held up in one

section while other people are clamouring to deal with kindred problems.

D.D.S. mentioned the new Tribunals which are to advise on Category B. cases. I have been asked to draft the instructions for these Tribunals. If we wait for the Home Office to draft them they are certain to be in an entirely contrary sense.

Edmund LUX, who has a German father and two German brothers has been discovered as an inspector of Army, Navy and Air Force canteens at Salisbury under NAAFI. It seems that we are only vetting people for NAAFI if they go abroad with the B.E.F. Edmund is a British subject..



The case has arisen of a Pole who has been some months here and in August went to Eire. The Eire Government did not discover that he was there until October when they ordered him to leave. On arrival at Liverpool he was refused leave to land and sent back. The High Commissioner has now complained about the incident on the grounds that as this man was resident for a short period in this country we should take him back, which no doubt, in order to avoid unpleasantness, we shall ultimately have to do. The real answer to the High Commissioner, of course, would be that if Eire wishes to be regarded as an independent country and accepts an alien, she

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must keep him or deport him back to his country of origin and that the mere fact of his making a protest to us in the form that he has made it is tantamount to an admission that Eire remains within the British Commonwealth of Nations.

Bridges of the C.I.D. has returned to us the case of MERCEDES and MARKMANN, stating that he had discussed the matter with Maxwell and that we should submit the matter to him. I have spoken to D.S.S. and we are going to send it to Maxwell and also to the three services. This will enable the service departments to bring pressure to bear on the Home Office if there is any reluctance to take action.

The latest figures from the Advisory Committee show that 75% of those who have come before it have been released.

The Naval Attaché Madrid has telephoned to say that on information received from the Portugese Police arms are being shipped to Eire. N.I.D. are taking the matter up with the Dominions.

DECEMBER 13th

in the German Legation in Dublin is now sending to the in London torn up pieces of paper which are alleged to come from the German Minister's confidential waste. We have the originals pieced together and they are not uninteresting though somewhat inconclusive. They show connections with the I.R.A. and give details of individuals who are dining and lunching with the Minister. These do not

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we may get something more concrete later.

Dunlop of the Treaties Department of the F.O. rang me up today asking whether we could vet a man called DONES who is now a shirt-maker in Soho. In the last war he is reported to have been employed at Gibraltar on cypher work. The Foreign Office obtained his name from some National Register and wish to employ him on highly confidential work in the cypher department. I explained to Dunlop that our information would probably be negative and expressed the view that in employment of this sort he might feel it advisable to have something positive. He told me he wanted 12 men and I suggested that it might be possible to get 12 reliable people, possibly ex-officers. He jumped at the idea and we are doing what we can. It is incredible, however, that after the KING case the Foreign Office should not have learned their lesson better than this.

The WHINFIELD case is getting really hot. Further examination of banking accounts shows that Mrs ELAM passed money to Archie FINLAY, who passed it to the B.U.F. We have also discovered that Mrs ELAM has paid £150 in Bank of England notes into her special account. These notes are said to have some form of cypher on the back. We are getting the original notes and are having them traced. We may in this way ascertain that Mrs ELAM's money comes from foreign sources.

Hale suggested that we should get our stool pigeon up to the camp at the Brompton Oratory and that when he has collected data to allow him to give evidence before the Advisory Committee both about cases where they have ordered a release and also about those which are to come before them. It may well

be a shock to them to find that they have been making some serious mistakes.

DECEMBER 14th

S.I.S. material: The Yugoslavs are in a cleft stick. The Italians want them to start an anti-Bolshevik crusade which the people won't stand and owing to the stalemate in the West, there is a feeling that there will be no alternative but to bargain with Germany. Prince Paul seems to be very worried about talk of a Hapsburg restoration.

Mussolini has had another anti-British outburst, not in public, but among his own supporters.

It seems that we have succeeded in cracking the German naval cyphers between Berlin and Tokio and Berlin and Madrid.

There are now 22,000 Russians in Esthonia. The Soviet Government have asked the Esthonians to increase their army. Russian troops in Esthonia appear to be of poor quality. The Germans have a very poor opinion of them.

There is a certain amount of Communist propaganda going on in Roumania by means of leaflets. There was an illicit wireless station but this has been detected by the Roumanian authorities and has closed down.

The ~~Shah~~ is reported to be leaning towards Russia rather than Turkey as he feels that this is the only way that he can ~~maintain~~ maintain neutrality.

The case of HILDERSHEIM has been submitted to the Home Office with a request for internment under 18(B). This was the man who returned from Germany in the early stages of the War and calmly informed Cookie that in the last War he had been assisting the Germans to make submarines in his capacity of naval architect. Cookie asked him whether he realised that in so doing he had committed high treason.

There has been an interesting development in the case of von TRESHKOW. D.N.I. rather tactlessly sent a solicitor called EICHOLZ to see the Home Office and request that the lady should be released. Maxwell appears to have taken a deep breath and said that in view of her connections in the past with Nazi activities, he would not recommend to the Home Secretary that she should be given leave to appeal to the Advisory Committee, and she would therefore remain in internment for the duration of the war. The decision is a perfectly sound one, but the inconsistency of it is remarkable.

Tar has spoken to me about lights. He has arranged with Stammers that the Observer Corps will take cross-bearings on any lights in the same way that they do with aircraft. They will report immediately to the local Police that we are instructing C.Cs. that in any such cases where there are reasonable grounds for suspecting that the lights have been shown for some illegal purpose, we should be informed. They are also compiling a map showing where lights have been seen.

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There are certain cases in the Thames Estuary which give grounds for strong suspicion.

Heinz BRACK, a school master who was interned early in the war, states that he is not appealing to the Advisory Committee as he thinks his parents would be victimised if it became known to the Nazis that he was at large.

I spoke to D.D.S. today about the suggested Travel Committee which was to lay down certain rules about the movements not only of enemy aliens but ordinary aliens and British subjects. He told me that the Committee had now been side-tracked by Maxwell who had ordered Cooper to work something out with Stafford which would have the effect of restricting travel. The first fruits of these deliberations are shown in a telephone conversation from Stafford saying that in the case of STRAUSS, an enemy alien who has twice been turned down by us for travel, Cooper takes the view that as he has passed the Tribunal and been classified C, he should be treated on the same basis as any other alien. This I find is also Maxwell's ruling. It seems to me entirely wrong that any alien, whatever Category he may have been placed in by the Tribunal, should be allowed to travel unless it can be shown that his journey is in the national interest.

On the 7th December Tilea, the Roumanian Minister, had a conversation with Halifax. The Roumanians are very anxious to get us and the French to extend our guarantee against aggression by Germany to

aggression by Soviet Russia. Roumania seems to be counting on Italian support in the event of Russian aggression and it seems that a mutual assistance pact with Turkey is also under consideration. Roumania thinks that action by ourselves and the French now is imperative and would have a considerable effect in bringing in Italy on the side of the Allies. Roumania could put $2\frac{1}{2}$ million men in the field and possibly Turkey could supply another half million. Tilea stressed the importance of not allowing Roumania's oil and gold to fall into the hands of the Germans. As regards the oil, he said that it was a fallacy to think that lack of refineries had made this matter unimportant. This was a difficulty which could be got over by transporting the oil elsewhere for refining purposes.

Out of 76 enemy aliens examined in the Isle of Wight, only one has been interned.

DECEMBER 15th

The WHINFIELD case is still developing. Sneath has produced the draft of an information to be sworn before a magistrate. Harker has shown this to the D. of P.P., who thinks that it would be sufficient to obtain a search warrant on the premises of Mrs ELAM and the Anti-Vivisection Society. Harker took the information on to Maxwell explaining the possible implications, namely that documents would be found which might necessitate precautions against the B.U.F. Maxwell is going to consult the Home Secretary. In the meantime Special Branch are trying to trace the notes paid into Mrs ELAM's account. If they are of foreign origin it would seem

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that we have a case for dealing with the whole of the B.U.F. This, I think, would be preferable to entering Mrs ELAM's premises and then finding that raids elsewhere would be necessary to start the prosecution against the B.U.F. It would be much better, in my view, if the Government made up their minds to make a clean sweep of the organisation, since the effect of raiding Mrs ELAM can only drive them all underground, and if at some future date they have to be dealt with, we shall not have such good data to work on.

I am told that KUCKENMEISTER has turned up and been interned.

DECEMBER 16th

McLeod of A.G.3. has rung me up to say that 41 seamen are to be sent back on Wednesday. They are all said to be under the age of 18, and having been taken off the high seas, should go back unless they have technical qualifications. The Home Office take the view that it would be wise to get rid of these people since Germany already have a large number of unemployed seamen and if they stay here we shall only have to feed them. I have spoken to Craig, who has asked the Home Office to let him have a list of these people and their qualifications. If any of them have knowledge of engines or wireless telegraphy he is going to recommend that they should be held.

Maude is still investigating the leakage in the case of H.M.S. "Belfast". So far they have not been able to trace any telegrams to Eire or from Eire to U.S.A.

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making mention of this incident. As a result of his investigations, however, it does seem that leakage from Eire is a very easy matter if a journalist establishes good relations with some member of one of the cable companies, who can easily get the news out to the Azores or to the Continent via the route from Cork to Havre, which is supposed to be used only for transit cables from the U.S.A. or the Continent.

The Advisory Committee have submitted to us the case of one BISCHOFF whom they propose to release. This is normally the procedure adopted and gives us the opportunity of furnishing any additional particulars or observations on the shorthand notes. In our reply the phrase slipped through that this man's release would make "a folly of Security." This seems to have got the Committee on the raw and Norman Birkett has sent in a raspberry which in effect implies that the Committee would not be bullied by M.I.5. Birkett, in his letter, has laid himself open to quite a good reply, but it is thought better to leave things as they are. Pilcher has had a talk with him and he is perfectly friendly. It seems, however, that the Committee were rather nettled by a previous incident. Maude had written to the Police about another individual whom we wished to have interned, and in so doing had said something slightly derogatory of the Committee's work. The Police report had eventually been furnished and unfortunately also a copy of Maude's letter.

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DECEMBER 17th

Had a long discussion with Curry and others regarding office organisation and lack of policy in the matter of tribunals, travel etc. which is clogging the wheels of the office. It is very difficult to know exactly in what form to put this up to the Cabinet.

The broad facts are that certain regulations were laid down by C.I.D. committees before the war which were not adhered to, and that the policy both with regard to travel and internment has given rise to a serious situation. Large numbers of enemy aliens are at large and they have freedom of movement. The result is that 4/5ths of the office are engaged in controlling these movements in one way or another and that only 1/5th or even less are pursuing the proper function of MI5, namely to investigate espionage. Unless therefore proper restrictions are imposed it ~~will be~~ impossible for us to employ the staff on this more important work and to drive espionage into channels where it will be more easily detected.

From special material, the French seem to take the view that it is up to the Italians to deal with the Russians if they attempt to invade the Balkans. Ali Khan, the Afghan Minister, is in touch with KORJ of the Russian Embassy and finds him at times "a useful friend".

The representatives of Iran and Iraq are rather concerned about this, although they seem also to be dabbling in Russian affairs. In the meantime KORJ is communicating with the Turks or is at least anxious to see them.

Iraq, Egypt and Turkey are in consultation

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with the Italian Embassy, probably on the question of Russian aggression. In the meantime the Egyptian Minister has got to hear of meetings between the representatives of Iran and Afghan and the Russians and had dropped the discussions on Moslem unity. Iran and Afghanistan were rather worried about this and got into touch with him. He said that frankly he knew of their talks with Maisky and a hurried visit to Paris. They were much astonished that he should know about this and expressed their willingness to give him a full explanation.

Relations between the Turks and Egyptians seem to be good. They have informed the Egyptians that they are sending a member of Turkish Govt. to Teheran, Bagdad and Kabul to cement unity. The Turkish Minister has expressed the view that London is full of agents and "the British contr-espionage like all else that is being done is too gentle".

The Afghan Minister thinks that Amanullah whose restoration is being contemplated, is in the pay of the Russians and Germans.

The Finnish Minister has told the W.O. that the Finns are well equipped for fighting in wooded country. They fell trees to make obstacles for the Russian tanks and then when the Russians get out of the tanks to remove the obstacles they are shot down and the tanks destroyed. The Russians are poorly clad, young and inexperienced, but their equipment is good. The report about Italian aeroplanes being sent to Finland is incorrect.

Air Ministry Intelligence report states that

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The Air Force is depressed and to

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some extent disillusioned. The Dornier bombers relied on speed to outdistance the enemy and neglected armaments. It has now been found that they are not fast enough and cannot defend themselves.

DECEMBER 18th

A method has been discovered by which news is being got out of this country to America. A number of cables are sent through different offices. The last word in each cable makes a connected sentence.

Stafford has rung up to say that there are hundreds of aliens pressing for permits to go to the continent for Xmas. Stafford says that he cannot possibly refer all these cases and that he thinks the only thing to do is to use his discretion. I have spoken to D.S.S. and expressed the view that it is quite fantastic that aliens should be travelling for pleasure in this way and urged him to speak to Maxwell. This he has done and the result is that Maxwell has said that he will send for Stafford. I don't think we can hope for much result.

Mrs. ELAM's premises at the offices of the Anti-Vivisection Society and at her home have been raided. A considerable amount of BUF literature has been obtained including long lists of members. These were contained in two deed boxes. In the meantime the notes which she paid into her bank have been traced to two people with German-sounding names. They are to be interrogated under 80a. A large number of documents has been taken away but have not yet been thoroughly examined.

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on Eire shows that the release

of 50-odd IRA prisoners whose internment was held to be ultra vires, has caused a serious situation. The Govt. may lodge an appeal and if that fails they may introduce further legislation in the Dail. In the meantime the IRA is said to be fairly active.

The German Minister is bringing constant pressure to bear on the Govt. of Eire to maintain its neutrality. In this connection the projected black-out has been called off. The Germans are now broadcasting twice daily in Gaelic.

An S.I.S. report said to come from a Reichswehr source of fair reliability, says that the Govt. now aims at rejecting the former acceptance of the economic and political division of S.E. Europe with Russia and at a revival of the axis offering a German-Italian division of interest in the Balkans. The throwing over of Russia is due to the alignment of Italian policy in the Balkans with that of Turkey and the Allies and the consequent menace of an economic stranglehold on the Reich. This policy brings Goering and Ribbentrop together. Germany therefore intend to strengthen her military position in the South and S.E. Europe, and to bring economic pressure to bear on Roumania. Russia's neutrality and Italy's active support is to be sought because Italian neutrality and Russian active cooperation have proved to be unattainable. There is to be no attack in the west but ruthless sea warfare and air raids on places of strategic importance which will not invite reprisals.

DECEMBER 19th

N.I.D. have sent over Capt. Griggs of the
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Coast Watching Service's report on his visit with Archer to the West Coast of Ireland. It seems that the personnel and their equipment are far better than was expected. The visit was a surprise one as Archer himself was anxious to get a clear picture of what was going on. The stations have binoculars and a good field of view but their accommodation leaves a certain amount to be desired. They have bicycles but cannot despatch a message under about 20 minutes to an hour as they have to use the local post office. It seems that if wireless transmitting apparatus was supplied the service might be an efficient one.

Hankey is now considering the report and the ways and means of getting Col. Archer over here to discuss it. I have said that I think this will probably come best from Eden.

The Belfast leakage question is rather critical. D.S.S. wishes to inform Winston and also Gn. French and Admiral Salmond. The question is how far this can be done without compromising Maude's friend.

We have taken out a telephone check on David DARRAH of the Chicago Tribune who has been boasting about getting uncensored information out of the country. It may be that he has been using the same methods as the New York Times.

Dick has seen a man called HESSPERS who is a friend of HOLTERMANN. HESSPERS had an extremely interesting story about the penetration of our organisation in Holland by agents of the Gestapo disguised as representatives of various anti-Nazi political bodies. In particular he mentioned one MÖRZ and a

man called FISHER. Both these people had been planted on Stevens and HESSPERS goes so far as to suggest that Best himself may have been the real nigger in the wood pile. Best had apparently been in fairly low water and it was noticeable that after he became associated with FISHER that he seemed to be very well in funds.

The French have arrested a man called KEUSTERS whom they believe to be a German spy. An examination of his documents shows that he is connected with GRAFFENRIED VILLARS whom the French believe is also implicated. They originally asked us to have this man arrested but when we told them that we must see the evidence, they sent over Bonnefusse who arrived today. The evidence against GRAFFENRIED does not seem to be very strong but the effect of the French uniform on the H.C. has been considerable. Cooper has undertaken to put forward a recommendation to the S. of S. that GRAFFENRIED should be deported via France.

S.I.S. have a report on the visit of Nuri Pasha the Iraq Minister to Egypt. Egypt have apparently refused to sign the Saadabad Pact for mutual assistance between Iran, Iraq, Afghanistan and Egypt. Egypt does not wish to be drawn into hostilities should any of these countries be invaded by Russia. If this report is true it does not seem that the deliberations here between the various ministers concerned are likely to lead to Moslem unity in so far as Egypt is concerned, in spite of the fact that the Egyptian Minister has been the prime mover in the discussions.

DECEMBER 20th

A Board Meeting was held today. D.D.S. said
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that he had attended a meeting yesterday at the H.O. at which Maxwell, Stafford and Cooper were present. This meeting had been called as a result of our protest about foreigners being allowed to travel to the continent for the Xmas holidays. Maxwell had decided that travel permits for this purpose were to be refused, and that a committee should be set up forthwith to consider all aspects of the travel question.

I had lunch with Crocker today when we discussed the possibility of his coming in to reorganise the office here and to let us know as a result of the knowledge he acquires, in what way he can help us with his machinery outside. I mentioned the matter to Harker and Butler who both agree that there was much to be gained. Harker thinks however that it may be difficult to get over the question of Crocker not actually being a member of the permanent staff and a whole time worker. We might be open to criticism if we said that he had access to all our documents and was at the same time carrying on his practice as a solicitor. Personally I think that it is essential that we should find a way round this difficulty since the opportunity is far too good to be missed.

Dick's informant has just returned and Snow has also arrived back with some very interesting information.

Maude has collected all the documents in the Belfast case and has an appointment with Daniels, the head of the New York Times, tomorrow.

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DECEMBER 30th

Returned from leave.

A French communist named HERZOG arrived today from Halifax on the San Diego. The French Naval Authorities had passed a request thro' NID that he should not be allowed to land in this country. We took him off at Gravesend and sent him to Newhaven whence he will proceed to Dieppe tonight.

A regulation is now in force by which people are not allowed to purchase vital parts of wireless sets without a permit. These parts include high-powered valves which might be used in the composition of transmitting sets. The question of vetting has arisen and as the Post Office are receiving applications from every quarter, particularly cinema proprietors who break a valve in the course of a performance and urgently require one to replace it. I have suggested that the Post office should issue a fairly comprehensive form of application and judge the case as far as possible on the basis of the reply received. Only exceptional cases should be referred here. Ultimately I think they might reach a stage where they could issue general permits to applicants whose bona fides have become more or less established.

I had a word with about codes. At present nobody seems to be tackling the problem seriously. Col. Worledge is by way of dealing with love codes and today John Maude discovered two ladies in the Censorship who have been given letters in code and told to play with them. They have not got the time nor the knowledge to do so. There is also the question of flower codes. My own feeling is that either

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the C. & C.S. or ourselves should establish an organisation to deal with the question. It would need somebody at the head of it who has the right kind of mind for the work. will put the matter to V.V

Special material shows that we are not encouraging Sweden to go to war. The Swedes are uncertain whether the Germans contemplate any attack but feel that they could probably hold them off a bit. They think it possible that Germany might try to establish bases in the south so as to get control of the Balkans but do not think that they would attack the iron mines in the north as they might meet with more formidable opposition.

Dick's friend has had a successful visit to Belgium and succeeded in getting taken on again in work which may prove very interesting to us.

Some time ago, before the outbreak of war we got a report from N.Ireland about a girl called Dorothy Hannen who had been employed by Harland Shortt's, who left rather hurriedly. She had subsequently established contact with one Oscar STEINLE. Nothing transpired from enquiries made then. Her landlady now hands over a parcel containing plans of an A.A.gun which were addressed to Dorothy Hannen.

DECEMBER 31st

Stephens is interested in the case of a Mrs. TITFORD. Some time ago a Mr. TITFORD advertised for employment and received a letter from a woman called Margaret OTTO who was resident in Czechoslovakia. Correspondence ensued and TITFORD eventually went over and

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and married the girl in Bratislava.. She was very insistent that she should have a British passport of her own and that her name should not be included on his passport.. She seemed to have considerable funds at her disposal. She returned with her husband to England and subsequently deserted him. TITFORD then reported the facts to the police since it seemed that from the girl's side the marriage had been merely one of convenience. One

who has three convictions against him and is working as a police informant, has now stated that he picked up Mrs. TITFORD in Piccadilly and that she took him back to her flat for which she pays £7 a week.

disclosed that he was now employed as a driver by the W.O. Mrs. TITFORD became very interested and asked him to produce his papers which he did. She then suggested that he might like to earn big money and that he could do this if he would come with her to Lausanne to meet her principals. Before he goes he is to meet somebody from the Polish Embassy. Mrs. TITFORD has explained that she has numerous other contacts and that she will require to act as courier between this country, Basle, Lausanne and Zurich. Mrs. TITFORD has been convicted 3 times as a prostitute; and has been run by a Jew called KAHN with whom she now seems to have severed relations.

DARRAH of the Chicago Tribune has been down to Penzance. It has been suggested that he may be getting information out through the Western Union office. Enquiry shows that telegrams can be handed in at Penzance but that they should be referred back to the London office before despatch. If however DARRAH had a friend in the local office there

should not evade censorship.
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Archie Craig A.D.N.I. is apparently to join S.I.S. in the near future. It is not quite clear what his status will be.

Permits to export goods and printed matter by post granted by MC2 of the Postal & Telephone censorship. We do not vet these cases as a general rule but are in future to pass the names of any suspect firms which come to our notice to B.12 for a transmission to MC2

JANUARY 1st 1940

I have had a talk with V.V. about codes. I explained to him our difficulties. He is going to speak to Dennison and see whether he has any useful suggestions or can put up anyone suitable to take the matter in hand.

Cookie is going to GHQ in 10 days time to give advice in matters affecting contre-espionage. Col. Templer who is in charge of these matters at GHQ seems to be rather at sea and is anxious for assistance. Obviously things are not working altogether satisfactorily as Bonnefous when he was over here the other day asked rather pointedly whether Col. Templer had ever dealt with C.E. matters before. The answer is probably in the negative.

The question of Unity Mitford has been raised. It is reported that she has come out of Germany accompanied by some Hungarian and arrived in Switzerland, that she is in a serious condition and that her mother and sister Barbara have gone over to fetch her.

B.8a have brought me the case of one RIZZA a British subject of Italian origin in Scotland. Catalogue Reference: KV/4185g that he knows

a great deal about the Ark Royal, where she is, how much she is damaged, etc. and that he has even attempted to take photographs. He further stated to an informant that he has ways and means of getting photographs out of the country to Italy and thence to Germany. The local C.C. has asked what action should be taken.

D.4 have submitted a note about visas policy which is gradually sorting itself out. Enemy alien refugees are not being admitted except in very special cases. Poles are not being admitted except for diplomatic reasons. We do not quite see eye to eye with the H.O. as to what constitutes diplomatic reasons but this point is under discussion. Domestic servants are not being admitted except those who have been employed for some years in the U.K. and who left or were on holiday when war broke out. Students who have started advanced courses in U.K. are being admitted to complete their studies. Journalists are being admitted provided they have clear records. I am not quite sure whether this is altogether wise. The Vice Consul of St. Malo has been authorised to grant visas to French citizens resident in the Channel Islands to return as necessary. H.O. have agreed that visas shall not be granted to aliens who have visited Germany since the war or who are known to contemplate visiting Germany. A scheme of aller-retour visas is under discussion and will prove a great help by enabling business men to pay short visits to this country without having exit permits.

I have been making enquiries about Minley Hall Intelligence Course. There are apparently two courses per year, 40 students attending each course. Cambridge professors will lecture to them on the racial, geographic and

economic situation in eastern Europe. Then the Staff College instructors and other experts will take them in Intelligence work generally. Although a lot of the subject matter will be confidential it will not necessarily be secret. Only the few who show outstanding brilliance will be posted to intelligence duties during the war. The others will be earmarked to be sent out after the war with Military Missions and so on in the hope that they will know something about the characteristics, creeds and idiosyncrasies of the country they go to. They will therefore be of some use to our Govt. and General Staff in an advisory capacity. We are vetting these people and those we do not feel altogether certain about will ~~not~~ be remarked "Not to be employed without further reference to M.I.5". The only person turned down so far is Peter RODD.

Con has spoken to me about sabotage in Govt. Establishments. He does not think that we have the necessary staff to deal with these matters and he thinks that the responsibility should be definitely ours.

Saw Cowgill today. He said that from more recent reports they had had from the Dutch it seemed highly probable that Stevens was either shot dead at the frontier or else very seriously wounded.

JANUARY 2nd

I had a discussion today with Dick and Stephens about exchange of prisoners. In the absence of data it is difficult to arrive at a sound policy. If the Tribunals carried out their work properly we should have a list not only of those who want to go back to Germany but of those who ought

As far as our own people are concerned we only have a vague statement that 117 are interned and that there were roughly 1500 others at large, many of whom may have their roots in Germany. We do not know how many of them wish to return to this country. Personally I should not feel anxious to have any of them back here except the 117 internees. Since it seems highly probable that the German will recruit some useful agents from among the remainder.

French Special Material indicates that some sort of tentative peace feelers may be coming from Italy.

Our S.C.O. has drawn attention to the rather unsatisfactory state of affairs at Fleetwood Docks where alien seamen are wandering about and taking notes. Particular suspicion attaches to Icelandic seamen. It appears that the Post Office are now sending mails to Iceland by trawler.

Maude has gone to Inverness to look into the case of RIZZA.

The Americans are prosecuting Bookniga for failing to register as a foreign agency. Potemkin has protested and the Americans have replied that they do not discriminate against any country but merely take proceedings wherever an infringement has taken place. We have a copy of their letter and are going to consider whether we could not possibly include it in our D.R. It might give us a useful handle. It is interesting to note that the Americans are taking a strong line with the Soviet Govt.

An S.I.S. report from a reliable source
Catalogue Reference:KV/4/185

states that the High Command have advised Hitler that a successful war in the west is impossible. They say that unless sea and air warfare is likely to be decisive or other plans are contemplated it would be well for Germany to work for an armistice.

Air Ministry Intelligence shows that daylight raids on Heligoland Bight on 14 and 18 Dec. met with strong opposition from Messerschmitt 109's and 110's. The latter are said to be very fast and very manoeuvrable. They carry cannon but it is not certain whether they have rear guns. For the first 6 months of 1939 Germany's aircraft output was estimated at about 900 per month. There are indications of expansion since the war. On the Finnish front Russian bombing is reported to be inaccurate and only 1/3 of the bombs explode. The Russians seem to be short of trained pilots. The Finns have put up an outstanding performance with British craft, mainly Bristols.

On D.S.S.'s instructions I telephoned to Maxwell about Unity Mitford suggesting that both she and her mother and sister should be thoroughly searched on arrival, the search in the case of Unity only to take place if the M.O. was of opinion that she was in a fit state. Maxwell seemed somewhat reluctant to sanction this at first but finally agreed to the course suggested. I told him that before any action was taken I would let him know what the M.O.'s opinion was. After further discussion of this case with S.L. we came to the conclusion that Unity really ought to be interned under 18b, and after speaking to D.S.S. I arranged to go and see Maxwell between 7-8 p.m. tonight.

I told him about the proposal and said that if we had been dealing with Miss Smith or Miss Joyce the probability was that we should not be arguing the case, and that an order under 18b would be made. He was silent at this point but later in the argument said that he doubted whether if the lady had been Miss Smith or Miss Joyce we should take any action. He pleaded that we had done nothing in the case of members of the Anglo-German Fellowship or indeed in that of Carroll of the Link. I said that I did not feel that there was any analogy. Unity Mitford had been in close and intimate contact with the Fuehrer and his supporters for several years and was an ardent and open supporter of the Nazi regime. She had remained behind after the outbreak of war and her action came perilously near to high treason. Her parents had been associated with the Anglo-German Fellowship and other kindred movements and had obviously supported her in her ideas about Hitler. We had no evidence at all in support of the press allegations that she was in a serious state of health and it might well be that she was being brought in on a stretcher in order to avoid publicity and unpleasantness to her family. If I were asked whether I thought the odds were strongly in favour of something being found on her or her parents I should not be prepared to risk my money but in actual fact on the evidence available I had not any right to suppose that she would not be carrying something. In fact in normal circumstances she was just the kind of person who would be crazy enough to do so. Neither was it out of the picture that her mother and sister might aid and abet her. I still thought therefore that she should be served with an order under 18b and that Lady Redesdale and Barbara Mitford should be searched discreetly but thoroughly.

Maxwell was very reluctant to agree to this and thought that we should possibly make ourselves ridiculous, but before I left had agreed to the search of all three and had suggested that possibly an order under 18a might be served on Unity, instructing her to report to the police. He tried to see Sir John Anderson but this was not possible as he had left. He said that he would telephone to me the Home Secretary's decision in the morning.

JANUARY 3rd.

Maxwell rang up today about Unity. He said that the Home Secretary was in entire agreement with his view and had decided that nothing should be done. Nobody was to be searched and no order was to be served. I reminded Maxwell once more that since Unity was such a public figure there might be considerable criticism if she were left at large. He said that this aspect of the case had been considered. I informed A.D.S.D. of the position and instructions were given to Ferguson to telephone to Jelfe at Folkestone. A.D.S.D. has also informed D.M.I. of the Home Secretary's decision in order that he might be aware that the action taken at the ports was not the responsibility of M.I.5. D.M.I. seemed very annoyed. It was gathered that he was proposing to take the matter up with the F.O.

The Eire telephone checks indicate that bags between Dublin and the High Commissioner have been going astray. This is rather disquieting as they must often contain letters between ourselves and Archer.

KILSBY of Gorey, Co. Wexford, is in touch with Karl PETERSON of the D.N.B. and is also writing to a Mrs. MAHON at Leatherhead whose house is situated near an Air Ministry Establishment. // Mrs. MAHON who is obviously the wife of the wellknown Communist has had a mysterious telegram signed BRAMLEY asking her to report progress. BRAMLEY is Alice BRAMLEY the well-known Communist who in the past has dealt in explosives.

Another interesting case is that of Ryder HILLIARD concerning whom an anonymous letter was addressed to Mr. Lamar Hardy the District Attorney in charge of the American espionage case about a year ago. An entirely independent report has been received about this man and his mistress. He may be just a crank. If he is a spy he is obviously a very bad one. He seems to be writing letters in secret ink but has not attempted to disguise the fact in conversation with a local innproprietor. Major Ally is going down to see this man.

Unity has arrived and is reported to have sat up and smiled at the I.O. There was a good deal of fuss about troops with fixed bayonets who are alleged to have been sent down to deal with the situation. In actual fact there were no troops except the normal guard consisting of about 3 men. The press are extremely annoyed that they were not allowed on to the quay and there seem to be the makings of a general row about the whole situation as soon as Parliament meets.

JANUARY 4th

Maude has returned from Inverness and has done a first-class piece of work, in the case

It is a great pity that we have not got the necessary personnel to deal with more cases on these lines. Having extracted from NID after a good deal of trouble the necessary data about the position of H.M. ships, Maude travelled on the night train to Inverness. He fell in with an N.O. en route who gave him far more precise details about the location of H.M. ships than he had been able to extract from the Admiralty. After seeing the C.C. he decided to go and see RIZZA himself, posing as a journalist. He started by saying that he had heard that RIZZA had a considerable knowledge of the West Coast and that as he was looking for a house there he thought he might be able to help him. RIZZA seemed flattered and it took only about a quarter of an hour to get on to the subject of photographs. RIZZA trotted out the whole story that he had given to the commercial traveller. He even went further and described exactly how he managed to get the photographs out of the country through a friend of his called Primo, an Italian, who has since been identified by the C.C. He sent the photographs to Italy, and to avoid detection the exposed spool is rolled back to no. 1 and carried in a camera.

We are now considering what further action can be taken. It may perhaps be advisable to allow RIZZA's friend to leave and catch him at the port. It seems unlikely that either of them are doing more than making money out of uncensored photographs.

We have applied under 18b for the internment of Maria LINK, a Pole. Her sister is already interned and her brother is a member of the BUF. Maria was employed by the Anglo-German Chamber of Commerce up to the outbreak of war. She has lived a considerable time in Germany

and has been in close relations with both Bene and Karlowa.

I have arranged with Tudor that we shall receive the Situation Reports which indicate the general feeling in the country. These are compiled from reports received from CCs.

Three new officers have joined B.Branch, Dixon who arrived a few days ago and will work with Sinclair, Martin who will be attached to Curry and Philip who will assist Denholm-Young.

The notorious Stanek is back with us again. He has been on the high seas for some months and is now apparently stateless. He has been technically refused leave to land but I expect that ultimately we shall have to keep him.

There have been interesting developments in the case of a German called UNLAND who left here with his British born wife on the 28th August for Eire. When he went to Eire he gave his own firm, Ferrum Ltd. as a reference to a man from whom he wanted to rent a house. The Curistor Office Agency which was acting as agency for the Ferrum Co.

opened the letter and saw that UNLAND had given himself as reference for himself and informed the police and then S.B. went into it and put in a report. Subsequent enquiry and the imposition of H.O.W.s both by ourselves and Archer leaves little doubt that UNLAND is acting as a German agent. He corresponds regularly with the Dansk Import & Export Co. of Copenhagen through a box number. The letters are obviously in code. Archer has given us copies of all of them and although they are not signed by UNLAND he tells us that he has established the fact that it is

UNLAND who posts them.

CROCKER is going up to Rosyth with his investigator on Friday night. He is going to investigate the work done on the Ormig Duplicator there since there is just a possibility that there may have been a leakage of information which led to the Royal Oak disaster.

I saw Leggett today and discussed with him the Daily Worker's attitude about Finland and also the leaflet which is being circulated with a view to preventing shipments of arms to Finland. On this particular subject Leggett is of opinion that the Communists are doing themselves more harm than good and that the ordinary working-man finds recent Russian behaviour extremely difficult to swallow. He would not therefore recommend staging a prosecution on these particular leaflets. This does not mean in the least that he does not consider both the Daily Worker and the leaflet extremely objectionable. He feels that it would be an excellent thing if an prosecution could be staged under D.R. when a suitable occasion arises. He would recommend deferring any action of this kind until the libel action has been settled. Apparently Labour leaders consider this action a great joke and are full out to get the Daily Worker into difficulties. Their view, and also that of Leggett and the Minister of Labour is that the Daily Worker has gone beyond the bounds of ordinary decency and it is really rather a disgrace that it should be allowed to continue to publish such misleading news. Leggett is emphatically of the opinion that it should not be exported. He says that in any action we care to take against the Daily

Worker we can be sure of the full backing not only of the T.U. leaders but also the Minister of Labour himself who feels very hotly on the whole subject.

JANUARY 5th

1918 internment figures are as follows: 45,405 enemy aliens, of which 35,189 were males. 10,749 of these males were at large and 24,440 interned. There were also in the country but apparently not interned 10,415 females and 11,278 British born women married to enemy aliens.

Maisky has made a protest to the F.O. about the internment of DOSTCHENKO pending deportation. When the latter was arrested nothing of importance was found at his house, but he had on him details regarding some mechanism for catapulting aeroplanes from warships. The indications are that he was to try and find out about these matters. The case against him is not considered strong enough to warrant a prosecution under the Official Secrets Act but he is to be interrogated in prison pending his deportation.

Archer tells me that a case has come to light where a woman in a train overheard an N.O. and two civilians discussing the new device for picking up magnetic mines. The matter has been checked up and there is no doubt that what the woman heard was highly secret. She has given a description of the people concerned and I think we shall be able to identify them.

The Netherlands Govt. have stated in their House in answer to a question that they have demanded full satisfaction from the German

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Govt. for the violation of Dutch territory at Venb on Nov. 9th including the return of the Dutch chauffeur and the return of the body of the Netherlands officer who, according to eye witnesses, met his death in the attack.

The General Manager of Armstrong Siddeley has written to Archer about aliens employed in machine tool firms. He says "Many of the firms with whom we deal have a large number of staff of foreign origin and unless you clean this up it is impossible to prevent information falling into their hands in regard to the parts and the number of them required. From this information they can very quickly put together the output contemplated."

Special material indicates that according to Gripenberg the Finnish Minister, HMG has advised Norway and Sweden to assist Finland directly and indirectly and promised that if they get into difficulties discussions as to assistance will take place.

Air Ministry report indicates that according to the Finns the Russians are very short of aviation spirit.

JANUARY 6th

Horeb has gone and many rumours are afloat. It is said that he has got up against the soldiers and committed himself in all sorts of directions to political friends without prior reference to the Staff.

I discussed today the Elam case with Sneath. We did not find a great deal at the Anti-Vivisection offices outside card indices showing the leaders and deputy-leaders throughout the country and BUF men employed as taxi drivers. There was also a letter from

Mosley to Mrs. ELAM more or less giving her a power of attorney in certain matters. There has however been an interesting development in the tracing of the Bank of England notes. Several of them finally reached one GUSH, who is Mrs. E's solicitor. He was interviewed today by Maxwell Knight and Maude, when he stated that these notes were repayment for a loan by him to Mrs. Elam. The latter had asked for the money in order to pay certain debts incurred in Germany. The question of Mrs. ELAM's internment under 18b is under consideration.

One O'TOOLE of Siemens Schuckert in Berlin has arrived here en route for Eire where he intends to spend a short holiday. This raised the whole question as to whether as a British subject we could refuse him leave to go back to Germany or even prosecute him for attempting to do so. I am going to try and get a ruling out of the H.O. but this will probably be very difficult.

The Eire Govt. evidently rather worried about the conscription of Eire subjects who have resided here for 2 years or more. As usual they want to ~~have~~ their cake and ~~eate~~ it.

We discovered the other day that one RYKENS of Unilevers had special facilities from the F.O. to travel between this country and Holland.. We informed the F.O. and asked them the nature of their liaison since RYKENS had come to notice in a rather unfavourable light in connection with the GOERTZ case. F.O. have now sent us over their files. They say that RYKENS has been a go-between ^{between} the F.O. and the German F.O. since 1938 and that on Oct. 19 1939 he was asked through a representative of the firm in Holland to go to Berlin to meet

Blessing of the Reichsbank who had received the request from Dr. Keppler Under Secretary of State in the German F.O. No indication was given as to the subject for discussion. RYKENS agreed to go but the meeting was postponed and eventually Blessing came to Holland. Blessing said that most people were behind th Fuehrer but that there was a cleavage in the Party. Both the extremists and moderates wanted peace, the former hoping that Hitler could achieve this end by diplomatic means while the latter who included Goering, thought that Hitler must go. Peace terms could be discussed on the basis of an independent Poland and Czechoslovakia and the retention of Danzig. It was thought however that arrangements could be made for the Poles to have an outlet to the sea. RYKENS told the F.O. that one ABS of the Deutsches Bank had been in Holland recently and had said much the same thing except that Poland and Czechoslovakia would have to be demilitarised. RYKENS however intimated that rationing in Germany had been tightened up and that the country could continue the war for at least another 18 months. It was also clear from the files that RYKENS himself has apparently been in touch with Kanaris of the German S.S. F.O. minutes indicated that Cadogan thought these overtures were not seriously intended. The F.O. seem very sceptical about our doubts concerning RYKENS and I think therefore that we ought to give them the full picture of Unilevers as we know it. Personally I feel very doubtful about the whole lot and RYKENS in particular.

JANUARY 7th

Away from the office.

JANUARY 8th

The minutes of the Committee at the H.O. who dealt with the Mercedes case and others have now been received. The indications are that nobody thinks anything can be done unless we get definite information against the individuals concerned. In the meantime Winston has written to Anderson urging that action should be taken on the lines suggested by M.I. 5, namely under DR.55 sec.4. I have drafted a letter for the General's signature to Maxwell saying that from correspondence received it would appear that the matter had reached an impasse and urging strongly that something should be done to formulate a new regulation under DR if 55 is not considered adequate. I also pointed out that by the nature of these cases the chances of getting definite information regarding the individuals are extremely remote.

Haywood has had a word with Humphrey Noble one of our nominees in the Cypher Dept. at the F.O. He paints a deplorable picture of laxity and inefficiency, which is more or less confirmed by a talk which I have had with Arthur Pollen. The staff at present consists of certain of the old members plus some Civil Service clerks and the people we have recommended. There seems to be very little system or organisation and the telegrams which are of a highly confidential nature, seem to float in from nowhere and pass out naked to some destination unknown. The only real precaution seems to be that the code books are counted at lunch time and in the evening when the night staff take over. It is proposed that the temporary people should eventually be replaced by clerks who are described as coming from the Post Office

Section. I gather that these people have been trying to get into the Cypher Dept. for a long time. Presumably they are members of the Civil Service Clerical Association run by W.J.Brown. If so it is a poor look-out for security.

I have given all the papers regarding the wider aspects of sabotage to B. who is going to consider them with a view to a decision being made as to who is to handle the matter.

The TITFORD case is becoming very interesting. Our informant has been given two photographs of an individual by whom he is to be approached in Bath. He is to obtain the plans from this man which are to be got out of the country. Mrs. TITFORD has given him the sum of £5 and more is to follow. One of the photographs shows the individual in question in civilian attire and the other in German uniform.

Peter KERRIGAN, speaking at a meeting of the Executive Committee of the C.P., urged the necessity of doing something to counteract the bad effect of Soviet policy against Finland. He said there was not chance of getting action to stop transit of arms by British workers unless they could be made to realise that the Soviet policy was in their interests. In anticipation of the suppression of the Party it is now to be organised on an industrial basis as opposed to a district basis. In other words there is to be a return to the old shop stewards movement.

A report on Unity Mitford has now been received from the SCO. Apparently there were no signs of a bullet wound. Adam takes the

view that the Home Secretary has no authority to order that she should not be searched since these powers are vested in the military authorities and not in the Home Office.

JANUARY 9th

Maude has received a letter from his friend RIZZA who intimates that he is hoping to get some good snaps of British warships, which are leaving the area today. Maude communicated with the C.C. Inverness and instructed him to keep observation in conjunction with the local SNO. If RIZZA is seen to be taking photographs he is to be arrested.

There was a Board Meeting today at which I raised the following points:

The position and status of Eire subjects. I quoted the case of O'TOOLE who arrived here stating that he was in the employ of Siemens Schuckert in Berlin and was coming to spend a short holiday in Ireland before resuming his work. It seems desirable that some sort of ruling should be given on the question of whether this man as a British subject has committed high treason or an offence under DR. if he applies to return to Germany. In any case it is obviously undesirable that such people should be travelling between this country and Berlin.

I also mentioned the question of setting up some organisation to deal with code messages. The meeting felt that it was desirable that this should be done either by ourselves or SIS, after consultation with the Censorship. I mentioned that there were serious gaps in our organisation insofar as (a) watchers,

(b) agents suitable for planting on suspects and (c) officers with initiative who could be sent out on special missions, were concerned. It seems to me that if these Board Meetings are to be of any real value the decisions should be recorded and somebody should be made responsible for carrying them out. It would then be possible at the next meeting to ascertain what had been done. At present we seem to have discussions at which people air their grievances, but very little seems to be done to put them right, since everybody thinks that somebody else is going to take the necessary action.

Clayton has asked that when cases arise where the internment of an enemy alien is desired in spite of the fact that he has been allowed his liberty by a tribunal, prior reference should be made to the H.O. stating the full facts. Clayton tells me that he is in touch with a man called HUBER of the Swiss Legation who is handling the question of the repatriation of Germans and Austrians here. Huber confided in him very confidentially that he and his colleagues had the impression that the Germans were trying to get evidence to show that they were not carrying out their obligations as representatives of Germany. He said that in several cases they had given the impression that questions were being asked for a specific purpose in order that their reactions might be noted. He has some mysterious communication from Rimela PLATZ who is one of our original internees and Huber is very anxious to know what we think of her. Clayton thinks that Huber is quite genuine but there is always the possibility that he may be double-crossing us. I have, therefore, asked Clayton to find out the exact nature of the communication from PLATZ. It may be that we can usefully develop the connection

JANUARY 10th

One Thomas ANDREWS of the R.A.F. Blackpool was picked up casually by a man whose name subsequently transpired to be Arthur Willis LOWE. Lowe asked a number of indiscreet questions, gave Andrews drinks and money, and arranged to meet him again on several occasions. The local police are handling the case and we have asked them to find out a good deal more about Lowe and the people with whom he associates. It seems that at one time he was employed in the Ministry of Transport.

Our informant in the TITFORD case has extracted from the lady the name of one of her principals. This man is one de WOHL. We have considerable records of him as he is already suspect. Informant has been told to get hold of an officer's uniform which he has done and he is to proceed to Bath tonight. For some reason or other this case seems to hang fire.

We have had some bad news about Snow. He asked whether the man previously referred to was going to get into contact with him. The reply came that no contact would be established at present. There is a slight impression that the Germans may not be over-confident about Snow and something may have gone wrong.

Stopford has got hold of a letter addressed to BRUNCK from the Guaranty Trust Co. in which it is stated that an account will be opened for \$45,000 in New York for Brunck's wife. Our records show that according to Padgham all the payments to Schulzer-Barnett from the Kerranis man in Woodland have in the past

been made through Brunck. The check on Brunck has produced a letter from Ned Reid who evidently knows Brunck very intimately.

I am going to ask NCO if he has got a line on the Guaranty Trust and failing that I am trying the Americans. In the meantime I shall ask Ned what he knows of Brunck. Padgham may also be able to tell us whether Brunck was the conscious or unconscious agent of Schulzer ~~Barnett~~.

An interesting case has come to light of a woman named FICKE who has written two letters to a man named WARNER, who sent them to the W.O. FICKE described herself as a German anti-Nazi who wished to increase her circles of friends. In her second letter she asked him rather indiscreet questions about his work with regard to the manufacture of aircraft. Our files show that FICKE has for some time been a close friend of one ALBISTON a civilian employee of the R.A.F. who specialises in wireless and was formerly at Cranwell. ALBISTON had already aroused our suspicions for a number of reasons. He had frequently visited Germany, was interested in photography, had a German wife, and had endeavoured to bluff his way into the experimental station at Farnborough. In July last he was reported to have attempted to take photographs of Swindon Aerodrome from the train. Maude is taking over this case.

I spoke to the General today about our board meetings. He has agreed to having the resolutions recorded and to have them read over at subsequent meetings in order to see what has been done in the meantime. He will also arrange with somebody present to be responsible for carrying out whatever decision is arrived at.

Arthur Pollen came to see me this morning. He is very disturbed because he noticed that one of the cypher officers at the F.O. before leaving was putting papers into an attache case. One of them had the appearance of being a cypher message. He is going to try and identify this man and to keep some sort of watch on him.

the contents of V.V. whom I saw last night says that/a telegram from the F.O. and Stockholm were in the position of Goering within 3 days. The matter came to light through Goering making a rather stupid demarche to the Swedish Minister in Berlin which made it quite clear that the contents of our telegram had come to his knowledge. Local enquiry shows that the position in Oslo and Stockholm with regard to the cyphering and de-cyphering of telegrams is nearly as bad as it is in London.

V.V. also told me that the mails which were dropped in the sea when the Imperial Airways plane was fired on in the vicinity of Hong Kong or Shanghai some little time ago, were subsequently recovered by the Japanese. They contained the decodes of a number of Japanese telegrams. The Japs returned the ordinary mails but with blinks and squeaks retained the telegrams.

The W.O. are considering taking over the Polis Intelligence organisation which is ready made in Afghanistan. I should feel this might be unwise.

With a view to supplying double-cross agents with information, commands have been asked to send in reports on local information or rumour which they, as ordinary members of the public, can pick up from observation or from gossip. Catalogue Reference: KW/4/185

it will be supplied for transmission to the enemy. It is hoped that once confidence is established in this way it will be possible to mislead the enemy at a critical time. In addition it is felt that the reports will provide M.I. with some picture of the extent of leakage that may be going on.

A censorship letter states that the Italians are frantically fortifying the Brenner.

S.I.S. reports show that the German General Staff are worried about Finland. They feel that a Russian victory will make the Soviet more truculent in the Balkans and in Scandinavia. On the other hand a Russian defeat would make the smaller nations less inclined to be subservient to Germany. The plan of German intervention in Sweden is therefore under consideration. Germany is particularly anxious about safeguarding her supplies of iron ore.

The official attitude in Italy is to propitiate Berlin but to keep the independent theme to the forefront and as regards the Allies to give no indication that Italy has any intention of departing from her policy of "sacred egoism". Above all, others playing the diplomatic game must be kept guessing.

Special material shows that the Persians are arming as quickly as they can. They appear to be getting Hurricanes and other material from this country. Up till fairly recently they have been subjected to considerable pressure both by Moscow and Berlin with the result that the Moslem alliance looks like becoming a reality.

JANUARY 12th

I have discussed with K. the question of Crocker being allowed to overhaul the office machinery. K. seems to be agreeable to the suggestion and wishes to discuss it further with Harker. I pointed out that once Crocker really had the hang of the organisation he might be able to give us considerably more help than he is giving at present. K. did not seem to think that the fact that Crocker would still be practising as a solicitor in control of his firm would constitute any serious objection to the course suggested.

LACHMANN's case has been heard by the Advisory Committee, at which Archie Boyle gave evidence. He will remain in internment. KUCHENMEISTER's case will be coming up shortly. We received an application the other day by his managing director BARON who wished to see him in the internment camp.

There has been a case of sabotage in the office. Somebody has hammered out the nozzles of two of our hose-pipes with a heavy hammer. The foreman brought them to Cusack and left them outside the cell for a few moments. When he came back the nozzles had disappeared. This has raised the question of the freedom of movement accorded to workmen of all descriptions who wander in and out of everybody's office.

Turner has been appointed head of C.Branch in the capacity of liaison officer between B. and D and D.D.S. in all matters affecting Home Office policy.

Hollis attended a meeting at the H.O. yesterday regarding the control over the export of

newspapers. Trade and technical journals will be dealt with by the censorship. Nothing will be allowed to be published in this country which cannot safely be exported. With regard to publications of a propagandist type, both newspapers and pamphlets, it was decided that it would be impracticable to make the censorship world-wide. A Black List will therefore be issued and it will be made illegal to export from this country any publication appearing on this list. This would be almost completely effective for censorship countries and reasonably effective as regards bulk shipments to non-censorable countries. A Committee is to be formed to advise on the publications which should be placed on the Black List. There will be penalties for anyone sending Black-Listed publications abroad.

A interesting report from India on the methods that they have employed in dealing with enemy aliens including Nazis, refugees and Jews.

At the outbreak of war they interned all these categories. They then appointed an Interrogation Committee under Sir Malcolm Darling, to whom was attached Mr. Wood of the Indian Police.

The opinion of the Committee is that if they had not taken the step of interning all enemy aliens and concentrating them in one place they would never have been able to segregate the good from the bad. The action taken incurred a certain amount of criticism at first, but the Committee are satisfied that there is no general resentment among the refugees. The result of their investigations so far shows that there are a considerable number of extremely dangerous and implacably

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hostile aliens and all these are by no means confined to those Party leaders who attracted the most attention in peace-time. They however consider that the domination exercised by the ardent Nazis even now in the internment camp is so terroristic that the very greatest caution must be observed in substituting release under restriction for internment in the case of even those who declared themselves to be anti-Nazi or Non-Nazi. Dr. URCHS the Nazi leader has ordered real Aryans to apply for release as non-Nazis because they "will be more useful outside."

A German R.C. priest who spoke against the Nazis in the camp was severely beaten up and told Sir M. Darling that he had stalked tigers with the Deputy Commissioner of Hoshangabad but had never had his nerve so shaken.

Two Czech members of the Interrogation Committee who have been dealing with the cases of refugees are frightened at the prospect of interrogations of the Nazis because they think that their relations in Bohemia and Moravia may be persecuted.

300 interrogations have been carried out as a result of which clues to the connections of Germans and Indians in hostile activities and to the ramifications and nature of German plans for causing trouble in India have been discovered. Meticulous investigations have hardly yet started.

309 enemy aliens in the refugee class have been released, 100 of them are thought to be genuinely pro-British, but the others it is felt should be subjected to control. 23 Jews and refugees are still held as seriously suspicious and it is likely that if further after

enquiries about half this number will have to be kept permanently independent. D.I.B. remark that this is a much higher proportion of suspects in this category than had been expected or than pre-war information gave any indication of. The three worst examples in the refugee category are (1) a Jew who was a German air ace during the Gt.War and a prisoner of war with the French from 1918 to 1920. He has since travelled all over the Middle East, Central Asia and Russia. He received training as an Intelligence Agent in Germany before going to India recently, where he was first employed by Siemens and then by Tata's; (2) a Jew who was a German spy in Italy during the Gt.War and came to India in July 1939; (3) an Austrian claiming to be a Czech and at times other nationalities, came to India as a destitute refugee in 1938, possessed 5 passports, mostly stolen or dishonestly bought, and otherwise an extremely compromising history. Has a brother interned as an Austrian.

D.S.S. spoke to me today about Crocker coming in to overhaul the office machinery. He is opposed to the idea on the grounds that the employment of a practising solicitor might make him open to criticism. I told D.S.S. that I was sorry that no way round this difficulty could be found as I was convinced that if Crocker became thoroughly acquainted with the work of all sections of this office he could help us a great deal more than he is doing at present. The probability is that he would see a number of gaps which could easily be filled. I then asked D.S.S. if he would consider appointing somebody else to overhaul the office machinery as I felt that something of the kind was sorely needed. He said that he would consider this and suggested that Charles might help. My

own feeling is that if there was another outcry about leakage of information it might well result in an enquiry into the activities of M.I.5 and that we should therefore be well-advised to see that our house is thoroughly in order. This is far from being the case at present. We have no policy or guiding principles on which to work, the internal organisation seems bad, and very little has been achieved in the way of investigation.

There has been a lot of fuss and a lot of time wasted about the case of the woman von ARNHEIM concerning whom representations have been made to the H.O. The facts are that von ARNHEIM, who is married to a German now under arrest by the French for suspected espionage in Tunis, has been living in sin with a prominent member of the Stock Exchange Committee, by whom she has had a child. She has continued to maintain touch with her husband, who is getting financial help from an extremely suspect firm in Holland with ramifications in this country. We informed the H.O. about this and asked that pending further enquiries the woman's appeal should be delayed. We were told that unless we gave further details H.O. would probably give an order for her release. This seems to me quite fantastic. D.S.S. is supporting the case and I don't think the H.O. will dare to release the woman without prior reference to him.

Markbreiter spoke to me today about the D.A.F. man ZULAUF who is imprisoned in Guernsey because there is no internment camp. I have agreed to the man being released under restriction, since the alternative is to send him over here when he will undoubtedly be set

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at liberty.

Matthews Aliens Branch tells me that before Xmas he was badgered by the H.O. for details about two internees whom Lady Astor desired to spend Xmas with her at Clevedon. It seems extraordinary that such a request should be made and even more extraordinary that it should not be met with a curt refusal. It is however symbolic of the present atmosphere.

Dick has built up what seems to be quite a good organisation for collecting facts about individuals connected with the various emigre groups:- These are as follows:

ISK Internationale Sozialistischer Kampfbund
(Proudhon St.Simon NELSON)

Right branch of the SPD, rejecting economic socialism, therefore economically liberal, but maintaining the Marxist conception of history. Represented in London and Paris.
Leader : EICHLER, London, about 50.

Periodical: Sozialistische Werte (Socialist Look-Out).

Volkesozialisten. Economically liberal, in favour of social reform and the corporate state similar to the Jungdo-Staatspartei.

Leaders: JAGER (former Communist, later with STRASSER in Prague) and BREHM, about 30, bookseller from Ulm, now monitor at the B.B.C.

Zukunftskreis. Socialist not Marxist, rather right wing SPD. MUNZENBERG, SCHULTZ etc.

Munzenberggruppe In Paris. rather Left Wing SPD not interested in class warfare and ready to co-operate with Right Wing groups.

Miles, Neubeginner. In Paris; radical Marxist, between Social Democrats and Communists.

Bundische Jugend. Federal, national, pro-social reform, democratic.

Leader: EBELING, about 40, formerly leader of the Jungnationalen Bund, chiefly in W. Germany.
Periodical: Kamaradschaft.

Katholische Jugend. Christian, national democratic, pro-social reform, in alignment with the Christian T.U.s

Leader: HESPER, about 30, at present in Holland, brother of the leader of ND. Collaborator in "Kameradschaft".

SPOADE Social Democrats. HQ. in Paris (VOGEL, BREITSCHIEDT). In London HOLTERMANN and SANDER.

Widerstand 'Nikisch in prison in Germany). National, socialist, conservative. Workers, peasants, intellectuals. In London: Prof. Hugo FISCHER, Leipzig.

Trade Unions GOTTFURCHT, KRESSMANN.

Bekennniskirche BUSING, RIEGER (C. of E. Cttee) HILDEBRANDT and some other pastors.

Freedom Party Progressive Democrats. August WEBER, WESTFAL.

Demuth Committee Geheimrat DEMUTH, MENDE.

Das Neue Tagebuch SCHWARZSCHILD in Paris.

STRASSE in Paris.

RAUSCHNING.

BRUNING, TREVIRANUS in America

Communists. Inside Nazi Germany; Free German League of Culture.

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S.I.S. report shows that there has been a press truce between Turkey and Germany. The Turks have nevertheless raided the local German Club in Ankara.

JANUARY 13th

A new D.M.I. called Col. POPOVIC has been appointed in Yugoslavia. He is said to be more European-minded than the majority of Yugoslav officers. He has told our M.A. that German espionage in Yugoslavia is mainly run by SCHILLER, the German Asst. M.A. who disbursed £1,200 during the month of November. According to Col. Popovic the Yugoslavians have arranged matters so that about half the amount paid to German agents during the month is actually received by the Yugoslav D.M.I. who spends it on the veterans of the last Gt. War, unless some of it sticks to his own fingers. He disseminates false information to the German agents through his own people who come back to him and pay him the money they have received. Col. Popovic says that there are 150 German agents in the country who are left to themselves provided they do not overstep the mark. In the event of a war Col. Popovic has assured our M.A. that they will immediately be arrested, have their throats cut and be thrown into the old well in the old Turkish fortress which lies at the junction of the Save and the Danube. Such are Balkan methods.

On Jan. 8th Halifax told the Belgian Minister that we had certain information from Italian and other secret sources that the project for the invasion of Holland and Belgium had not been abandoned and might take place in Feb. The Belgians apparently had similar

reports. Halifax suggested that a declaration of support to Holland which might strengthen the hands of the Generals in Germany, who were opposed to the Western Front venture. The Belgians appear to be short of A.A.guns and have asked for our assistance.

Had a discussion with B. about the office, internal organisation and also our lack of means of investigation. The principal inefficiencies are watchers, free-lance officers and people of G.S.O.(1) status who can take over major problems.

Godfrey has produced quite a useful note about the sabotage problem. He seems to think that he will need at least two assistants if the matter is to be tackled thoroughly.

JANUARY 14th

A message was received during the night to the effect that one Joseph Arthur HILL, aircraftsman stationed at Henlow, Beds. had reported that he had met a lady in London and returned with her to her flat where she had in the course of conversation asked him about the location of secret aerodromes, for which information she was apparently prepared to pay

T.A.R. has told me of another case of a prostitute, Stella CLEVELAND, who seems to be intimate with a number of R.A.F. officers. Cases of this sort seem to be on the increase and suggest that as has been previously reported the Germans are getting a lot of information through contacts established with officers. In addition to these two cases we have the TITFORD case, if this is in fact a bona fide one. Some doubts have now been cast on who from intercepted telephone conversations is not apparently playing straight

A telegram from Cairo has come in today to say that on the initiative of the Egyptian Govt. 52 Germans were arrested yesterday (in addition to those already interned) as a reprisal for 54 Egyptians interned in Germany. This is undoubtedly the way to deal with the situation. The total number of Germans interned in Egypt is now 92.

S.I.S. reports show that the Germans are openly carrying out preparatory measures in Baltic ports for possible action against Scandinavia. The re-constructed Swedish Govt. has undertaken (a) to continue to pursue the policy of neutrality and (b) to cease rendering help to Finland should the U.S.S.R. formally declare war. Ribbentrop is working for quick isolation - political and military - of Sweden and for the detachment of Norway. Having done this Germany may intervene militarily in Sweden. The German High Command feel that a military decision is becoming a matter of some urgency as large numbers of French troops are being relieved through the increase of French defences in the West and will form a formidable fighting force in the Near East. In German High Command circles there is a report of Soviet preparations for action against Afghanistan.

Balbo, Grandi, Ciano, Badoglio and the King are said to form an opposition against Mussolini in so far as his warlike anti-British views are concerned. At a recent meeting of the Fascist Grand Council, Musso was still saying that England was the arch-enemy, but it seems that he had to compromise to some extent as he cannot now sway the Fascist Council as formerly.

Feelers are being put out in Rome towards
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 to negotiate a separate Polish-German

peace. Special Material shows that both Jugo-slavia and Italy are buying aeroplanes from this country. Denmark are very nervous about a German attack on Swæden which might take place via Denmark. The F.O. seems to have made some kind of approach to Norway about the possible necessity of occupying Norwegian ports in case the Russians or Germans attempt to get a footing on the Atlantic.

JANUARY 15th

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958 April 2000

I showed him the letter about BRUNCK's wife opening an account for 45,000 dollars with the Guaranty Trust in New York. He apparently has good ~~relations~~ with this bank and will make the necessary approach.

Newsam called in today. He has just returned to H.O. from one of the Regional Commissioners offices. He was very full of himself and at present he is going to take over all matters of H.O. policy which affect M.I.5. He seems to have some idea that we were not altogether satisfied with what the H.O. were doing, and he probably came down to find out what the trouble was. We left him in no doubt that the present policy or lack of it was seriously hampering our work. He tried to defend the Home Secretary by saying that as long as the war was in its present state he had to be answerable to the House in the

ordinary peace-time manner. It was not therefore possible for him to take action in many cases where we might think it desirable. I pointed out as politely as I could that we were after all in the middle of an extremely serious war and that it was surely up to the Home Secretary to give the public a lead in these matters and to explain to them that certain precautions had to be taken in the national interest although this might be unpleasant for those concerned. Newsam then said that he had travelled all over his area with a special pass which gave him access to military information of one kind or another and that he could not see that the Germans would benefit in any way from the information of which he was now in possession. Harker replied that he could tell him confidentially that the Germans had asked for certain information, that somebody had been sent out to get it as an ordinary citizen, and that after it had been suitably doctored it had been passed to the Germans who had paid us handsomely for it. He then said that he thought it would be extremely difficult for the Germans to get any information out of the country. We told him that there were many ways, and that perhaps illicit wirele was perhaps the most effective. He replied that the Post Office had been raking the ether for years and would be bound to detect anything of the kind. I told him that if the Post Office had said anything of the kind they had led him very much up the garden, since the present position was that nobody could say with any degree of certainty whatever that there were not a large number of active transmitters in this country and in Eire. I feel that Master Newsam will need enlightenment of any use to us.

A letter has reached us today from Gilfillan stating that the HQ of the IRA in Dublin issued an order on the 8th Jan to its branches to the effect that from a foreign agency, which Gilfillan believes to be PETERSON of the DNB, they had been informed that a big movement to engage Ireland's enemy was to take place soon. Intelligence officers were to be warned to be ready to play their part in operations. We have circulated this to S.B., S I.S., H.O. and the Fighting Services.

A German aeroplane came down in Belgium the other day with certain papers found on the pilot indicating projected attack by the Germans on Belgium and Holland. It looks rather as if this may have been part of the scheme for the war of nerves.

Metro-Vickers are making two 40-knot destroyers for the Russians and want another Russian inspector to be allowed in their works. They already have 5. Secret and confidential work is going on at Metro-Vickers for the Admiralty and Air Ministry. We are suggesting to the F.O. that we might well in present circumstances get rid of the Russians and take over the destroyers.

Karl Julius DERENBERG, and E. STEINER, both category C. enemy aliens, want to travel on the continent on business. We have refused exit permits.

Air Ministry Intelligence shows that 7 Russian aeroplanes surrendered on the Finnish front and are now being used by the Finns against the Russians. It is also stated that 70% of Russian oil supplies come from Baku, which is within 350 miles of the Iraq frontier. It seems that Russian agriculture is now very

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much dependent on oil supplies. It follows therefore that Russia through mechanisation has rendered herself very vulnerable in this respect.

Archer has raised the question of extending the existing powers for keeping aliens out of restricted occupations to cover firms which make machine tools. Reports have come in from two sources indicating the immense amount of knowledge which has to be supplied to such firms in the ordinary course of business.

JANUARY 16th

The D.O. have now informed us about the loss of Eire bags. Three of these are apparently missing, one from the Govt. of Eire to the High Commissioner, another from the Govt. of Eire to the D.O. and a third from Sir John Maffey to the D.O. I am taking this up and suggesting that we should have an official courier otherwise cooperation with Archer will be a very difficult matter.

We had a Board Meeting today. D.D.S. explained that the new district tribunals for dealing with category B. cases were to be linked up with the projected comb-out of protected places. He thought this might provide an additional lever for getting enemy aliens or aliens interned. I think this all depends on the instructions that the tribunals get from H.O. I raised the question of something in the nature of a joint memo on the position from an M.I.5 point of view after the tribunals have finished their work. I thought it was necessary to send this to the H.O. and copies to the Fighting Services in order that they might be fully aware of the risks we were running. I also raised the question of getting

some minister in the War Cabinet made responsible for the activities of M.I.5. I felt that until this was done we could not hope to make very much headway.

The censorship has now been taken over by the Ministry of Information but will remain in its present quarters.

Maude is investigating the case of one G. METCALFE who is employed by I.C.I. at Billingham. It has transpired that all the references given by this man were false, and it may well be that METCALFE is not his name at all. He seems to be an able chemist. The motive for his action is not clear. Further enquiries are being made. Maude has seen DOSTCHENKO in prison. He started by denying that the questionnaire found on him was in his handwriting or had in fact been found on him at all. He eventually broke down with a smile. He will be deported as soon as suitable occasion arises.

A Censorship letter addressed to Bjorn HALL-STROM, 51 Tavistock Square W.C.1. mentions a Swede Birger DAHLERN who is said to be bringing peace proposals from Goering. This may be the mysterious Swede of the early days of the war.

The Ministry of Supply have been pressing for an exit permit for one Leo C. STEINLE, a British subject, formerly an American of German origin, who wishes to go to Holland and arrange for the purchase of machine tools from Germany. STEINLE has rather undesirable Nazi connections. We have explained the matter to the Ministry who have withdrawn their support, rather reluctantly.

JANUARY 17th

I spent most of the morning trying to get something done about the setting up of an organisation to deal with codes. V.V. has written to say that after a talk with Denniston he gathers that there was a meeting on Dec. 18th between representatives of the W.O. and the Censorship at which it was decided that this work should be centred in Col. Worledge M.I.8.c. On enquiry there I find that nothing has been done and that M.I.8.c. are rather reluctant to undertake the work which they feel is outside their province. Denniston and C. and C.S. do not want to take it on. De Gras of the Censorship happened to be in the office. He knew about the meeting but was very much of our opinion that the work should be centred in M.I.5 who would have the necessary background. The Censorship would be quite willing to put their experts into the pool if an organisation is formed. Personally I think we should do well to put Maude at the head of this organisation not with a view to his solving the codes but merely in order that we might have some responsible person to give general directions and control the staff. I don't think this work would hamper his movements if we want him to act as a free-lance. In the meantime I propose to see D.M.I. in order to clear up the position about M.I.8.c. De Gras tells me that three people from the Treasury have been looking into the affairs of the Censorship in Liverpool. One of their main objects is to prevent the suggested return of the main body of the Censorship to London. They are also making suggestions about the degree to which mails should be censored and which countries should be affected. De Gras suggested to them that this was a

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matter which might very much affect the services concerned, e.g. M.I.5. and M.E.W. The Treasury rather high-handedly took the view that they were competent to judge in these matters and they would make their recommendations without reference to other departments.

Dick White has been looking into the affairs of the Czech Committee run by Sir Henry Bunbury. It has been somewhat of a shock to Cooper H.O. to learn that both Sir Henry's private secretary and his chief assistant, Mrs. Ivon KAPP, were communists. He is quite sure that Sir Henry is unaware of the situation.

Cooper's account of the handling of Czech refugees since Munich is certainly disquieting. From Munich until March, Czech refugees, mostly from the Sudetenland, were passed out chiefly through the Prague Institute. They were vetted by the Czech Govt. police but since this organisation was probably penetrated by the Gestapo, those arriving in this country during that period may have included some German agents. From 15 March to 21st July, the problem of Czech refugees was in a chaotic state. To get out it was necessary to have a permit from the Gestapo or else escape illegally with false papers. The work was done mainly through a Miss Wellington who says she had a friend in the Gestapo and a Miss Hollingworth, who had an intimate friendship with the British Vice-Consul in Katowicz. Miss Hollingworth whose judgement seems unreliable, is married under another name and will probably be divorced by her husband, who will cite the British Vice-Consul in Katowicz as co-respondent. From July 21 when the Czech Refugee Trust

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in the hands of this body which administered some 2-3 million pounds of British Govt. money, and has a fairly extensive organisation based on political groups. Dick is going to try and interview some of the people connected with this Committee.

JANUARY 18th

Capt. Foley, formerly of P.C.O. Berlin and now P.C.O. Oslo, spoke to me today about a very old friend of his, Gustav SCHNABEL, an Austrian, who is at present working in P.A. WELLING & Co., 7 Union St. E.C.2. Foley tells me that SCHNABEL is a really genuine refugee case and when he came to this country he was befriended by Count MANGELAS, at present interned. He feels that he would like to write to MANGELAS but has not so far dared to do so in case he might be compromising himself and his family. I told Foley that there would be no objection to his writing and that it would not be in any way counted against him. Foley then asked me whether there would be any possibility for him to travel abroad in connection with his business. I said that this would probably be much more difficult as we had found it necessary to make a rule that enemy aliens should not travel.

There has been a disquieting report from SIS re Eire. A submarine base is said to exist near the mouth of the Doonbeg river in south-west Clare. A submarine comes in 3 times a week and is camouflaged with a canvas screen. One of the men in charge of the local coast watching station is said to be an I.R.A. deportee. The local Civic Guard appear to be terrorised. It was also alleged that a small tramp steamer was waylaid in Galway Bay

by a submarine and made to hand over stores.

A man called CROWL employed in Plymouth Dockyard, wrote to Du Vivier giving him certain information regarding damage to H.M. ships. CROWL was interviewed and admitted that he wrote the letter, which originally was found on Du Vivier's premises when the latter was searched. It was then enclosed in an envelope to Raven Thompson. Both CROWL and DU VIVIER are being charged. In the mean time it has been discovered that a man employed in the Ordnance Survey has been sending maps to Raven Thompson.

A man called Brommedge in the Censorship has been making psychic observations on the UNLAND case. At the moment they are somewhat cryptic. It will be interesting to see how they work out.

APTAKER, the Soviet Assistant Air Attache has asked the firm of Hugh Reece to make him enlargements of photographs of London bridges which appear in an official guide. As no useful purpose would be served in stopping this we have asked Hugh Reece to let us know of any further developments.

German agents are trying to spread the view in Holland and Belgium that if they went through Maastrecht there would be no need for Holland to oppose them. This is interesting in view of what Dick's friend told us at the time of the last Dutch crisis.

U.35 is in touch with SLAMA, the Czech counter espionage expert over here. S.I.S. who know most of these Czechs report favourably on him. They are in fact I think in touch with him themselves. We shall be working SLAMA on

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contre-espionage matters through U.35.

Foley and P.C.O. Berin and now of Oslo called in. He has just built up an organisation in Oslo from almost nothing at all. He controls Oslo, Stockholm and Denmark.

WEISS has provided a useful note on the Austrian Groups in London. There is the Austrian Office with Count HUYN as chairman which has as its object the rallying of all parties, but does not include the Catholic Party or the Schussnigg movement. There is the Committee of Austrian Socialists run by CZERNETZ, consisting of Social-Democrats and Social revolutionaries. Their ideas are pan-Germanist. There is the Group of Social Democrats run by ALLINA assisted by Dr. Stefan KUTTNER, former secretary of the Austrian-German Volksbund, the Socialist Anschluss organisation, are now both against the Anschluss and willing to co-operate with non-Socialists. There is the Austrian League consisting of the Austrian Legitimists under the control of Arch-Duke Robert, which is the group WEISS-von BOSCH representing the Schussnigg Movement in the Catholic Party. There is the Austrian Centre under Dr. HERZ, the real leaders being the Communists HORNIK and Miss KOLLNER. There is the Austrian Information at St. Stephan's House directed by Count STRACHWITZ, and lastly the Union of Austrian Journalists under Willi MEISEL.

Some time ago Waldron Smithers sponsored the case of a Hungarian, Istvan KANITZ who had a special process of micro-photography. Strongly against our recommendation and strange to say also that of the Aliens Branch, this man was allowed to establish himself here in business.

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He talked a lot about employing British subjects but he has employed none and now asks that another Hungarian, Feodora SOSS, may join him.

I spoke to Dixon about the Eire bags and suggested that we should have a special courier in future in view of the extremely delicate nature of our correspondence with Archer. He said that he would look into the matter, and let me know.

JANUARY 19th

The Waltham Abbey Explosion is being investigated. We had previously been making enquiries about match-heads which had been found in the cordite and the CID under Chief-Inspector Salisbury were actually working on the case when the explosion occurred. It is not possible to say whether it is due to sabotage or not but there are certainly grounds for suspecting something of the kind. Later enquiries indicate however that the cold weather may perhaps have been the cause.

According to a press report Jean Birgen Essen DAHLERUS, a Swede, has arrived here on a peace mission from Goering. This seems to be the same Swede previously reported on.

I attended a meeting today to discuss ways and means of improving the work of the registry. A number of minor suggestions were agreed to. Our policy is mainly directed towards splitting up files as far as possible. A system has been started by which B.M.s are formed on a particular line of policy and inserted in the main

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policy file as one exhibit. The idea is to keep the information together on one particular subject and not have it running through many volumes.

I hear that a number of M.P.s have sent a protest in to the Home Secretary regarding the failure of the Govt. to intern more enemy aliens.

Special Material has now been extended to cover the Papal Nuncio. It seems that he has been visited by the mysterious St. Clair GRONDONA who has been making the rounds of neutral Embassies on what he describes as a semi-diplomatic mission.

JANUARY 20th

KREVITSKY @ Walter THOMAS has arrived complete with luggage all labelled Walter Thomas. He was met by Alley and a friend of his who is going to look after him. He was a little surprised and even suspicious to find two people speaking such good Russian. He himself speaks broken English and equally broken French and German. He has been given a suite at the Langham and seems quite happy. Alley had tea with him and owing to the lack of sugar offered him a saccharine tablet. He sheered right off this, obviously thinking that it was either dope or poison. He is about 5'4", dark hair brushed back, Jewish nose, and the most piercing narrow blue eyes imaginable. No business is being discussed before Tuesday but there are indications that he has much of interest to tell us, probably at a price, as he has very little in the way of money except what he has got for his articles and publications in the U.S.A.

The French are worried about "The Week" which has published a very offensive article on the French Govt. It is being explained to them verbally that the view here is that it might be a mistake to go for the Communists while they are losing ground over the Soviet-Finnish situation. They are to be told however that if they do not wish "The Week" to be exported to France it can always be arranged.

Somebody in S.I.S. has suggested that contr-espionage is not really their affair and that in war-time M.I.5 should take it over entirely V.V. and I imagine most sensible people in S.I.S. take an entirely contrary view since S.I.S. are vitally concerned in preventing the penetration of their organisation. We have replied that we have always regarded M.I.5. as a kind of counter-part of S.I.S. in this country and that it would be little short of madness for us to attempt to super-impose a C. E. organisation abroad on top of the existing S.I.S. service. To do such a thing in time of war is quite unthinkable.

There has been a bad 'slip-up' in the Snow case. Some time ago Jock White wrote to S.I.S. asking them to make some enquiry about Editha DARGLE in Copenhagen. The Danish police blundered in and asked her whether she knew a Mrs. KRAFT, hence a letter from Editha Dargle to Kraft telling her not to correspond in future and a wireless communication to Snow that his friends are closing down for the time being.

JANUARY 22nd . ,

Menzies tells me that Halifax has been asked to see Lord Darnley and the Marquis of Tavis-

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tock regarding certain peace proposals. I gather that there have been 6 or 7 approaches of this kind. It indicates that the Germans are feeling about but at present their terms are quite impossible. It seems also that these overtures may be a part of what the Germans call Zermurbungstaktik, the general purpose of which is to keep this country off the boil. Tavistock is of course connected with the British Council for Christian Settlement in Europe which is a mixture of the Link, Nordic League and B.U.F. and a most mischievous body.

Our papers are publishing a number of photographs alleged to have been taken by the German air force during their various visits to this country. They give descriptive details. It has occurred to me that it may be well to make quite sure that these photographs were in fact taken by the Germans. It would be quite possible for some agent to represent them as such and to superimpose the various markings with a view to the information getting back to the enemy. I have asked Archer to go into this.

The Daily Telegraph have notified us about a house advertisement which in its concluding line contained information about the Italian vessel Orazia which was on fire in the Mediterranean. Enquiries are being made as to how this extra line got in.

Hordern C.C.Lancs called in today. He was worried about the position of the F.S.P. and the S.C.O. in his area. Certain minor difficulties had arisen which had been quite easily smoothed out but the Regional High Commissioner, Warren Fisher, was now taking a very high handed line and threatening to have the F.S.P. cleared out of the various

ports if there was any further trouble. There is to be a meeting on the subject which will be attended by Adam. Hordern will give us all the support we need.

I had a long talk with Col. Worledge and also with Col. Butler about codes. The matter had been put up to the D.M.I. who had given instructions that M.C.3. was to be responsible.

I explained to Col. Butler that this might not be very satisfactory since M.C.3. would now be under the Ministry of Information. It was moreover essential that any organisation dealing with these matters should be situated either in or in close proximity to M.I.5 who could give the necessary background. Col. Butler agreed and said that he would put the matter up to the D.M.I. again. I fear that it may be some time before we get this organisation going. I feel the want of it very acutely at the moment as Miss Dew has brought me an enormous bundle of intercepts containing an obvious code and relating to a man called SCHUTZ.

Stopford has been working on a rather curious Dutch case. A man called STRAATMAN came over here some time ago with credentials as a purchasing agent for the Dutch Govt. The Censorship picked up a letter that he has written to his employers about a curious approach which had been made to him here by a man called JACOBS, who had offered him money for certain information relating to armaments. STRAATMAN has been interviewed and gave us a minute description of JACOBS who was staying at some hotel at Kettering. It is not clear at the moment whether STRAATMAN is phoney or JACOBS is phoney or whether they are both phoney.

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We are threatened with a large influx of Belgian and Dutch refugees in the event of invasion. The only precaution we can take is to arrange for representatives of the Dutch and Belgian police to come over here and help us in sorting these people out. They will doubtless be riddled with Gestapo agents.

JANUARY 23rd

An article has appeared in the Telegraph deprecating the Govt.'s policy on failing to intern more enemy aliens. It might almost be written by somebody in this office but as far as I can make out it wasn't.

Norman Birkett has written a long apologia for his work on the Advisory Committee. He admits that he has disagreed with M.I.5. about the members of the D.A.F. and N.S.D.A.p and then proceeds to give an entirely misleading picture about both organisations. We cannot let this memo pass and are concocting a reply.

Maude has solved the Metcalfe mystery through a personal interview. Metcalfe was trying to hide in order to avoid a maintenance order which had been out against him for some time.

Some days ago a number of Nazi internees tried to burrow out of Lingfield Camp. They had succeeded in getting a certain distance when they were discovered. As a punishment they were put into some loose-boxes with a couple of rugs. The loose-boxes were later burnt down. There are strong grounds for thinking that the maps and compasses which were in the possession of the Nazis were concealed in a large hamper received from

the German Hospital . Incidentally the German Hospital since the return of BODE has become a little piece of Nazi Germany in the middle of London. People are reported to be giving the Nazi salute in the passages.

I saw Leonard Ingrams the other night. He was much impressed by the fact that nearly every German he interviewed as a possible agent or propagandist has completely sheered off whenever he was asked to do anything against Germany. Ingrams has had forced upon him Dr. WIESNER, whom we know as a Left Winger who sent an ambulance to Spain. Ingrams does not like his rather blackmailing tactics. We are putting him on telephone check.

In his report to D.M.I. on the work of M.I.5 Allen asks the question "How is the voice of Security to make itself felt in the War Cabinet?". He then suggests that the Security Committee, perhaps under the J.I.C., reporting direct to the C.I.D., might perhaps provide the answer. If and when formed, he thinks it should include representatives of the H.O., Service Depts, Security Service and M.I.6

JANUARY 24th

I was out till 4.30 p.m. looking after Peter. On return I heard that a question had been put down asking the Home Secretary whether any representations had been made by the Intelligence Depts. of the Services to the effect that they were not satisfied with the work of the Tribunals. D.S.S. and D.D.S. had been up to see Newsam who had originally wished to say that we were satisfied and that the instructions to the tribunals had been sent out in agreement with ourselves. D.S.S. refused to acquiesce in this. Newsam then

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suggested "in consultation" with ourselves. D.S.S. again objected and suggested "after consultation" with ourselves. I am afraid that the general effect of this question and answer will be to give the public the impression that the Security Service is satisfied with the position.

Applications for ^{export} permits have been received from C. COCKBURN, Ivor MONTAGUE and J.B.S. HALDANE. We are suggesting that permits to COCKBURN and MONTAGUE should be refused and that as regards HALDANE who apparently only wants to lecture at some University we should let the Dutch have any information in our possession through S.I.S.

I had a talk with B.3 regarding mysterious lights. Apparently this scare has more or less died down. Local investigations have not led to any serious cases being reported to us.

Maude is taking steps to prepare the necessary documents for the internment of RIZZA under 18b.

Dick's friend is going over to Belgium with U.35. She will be armed with some carefully doctored information.

JANUARY 25th

In the House today Thurtle asked the Home Secretary what representations he had received from the Police, Naval and Military Intelligence Departments regarding the number and character of enemy aliens who had been granted exemption from internment by the Tribunals set up for the purpose of considering such cases, and what action had been taken thereon. Sir John Anderson replied as follows:

Catalogue Reference:KV/4/185

"When these tribunals were appointed, a memorandum was issued to them by the Home Office giving advice and guidance as to the principles which they should follow in the examination of the cases of Germans and Austrians brought before them. This memorandum was drawn up after consultation with representatives of the police and of the Service Intelligence Departments, and I have no reason to doubt that, generally speaking, the tribunals have given effect to the principles recommended by the Home Office when deciding whether or not to grant exemption from internment. But the decisions of the tribunals are not irrevocable, and in any case where the police or Service Intelligence Departments can give me information which suggests that a case requires further consideration, the decision of the tribunal is reviewed in the light of such information. It is equally open to review on representations by or on behalf of the alien concerned. I am not in a position to say how many representations have been made to me without an examination of each individual file, but any suggestion that a decision given by a tribunal precludes the Home Office from taking appropriate action on information subsequently brought to notice is entirely mistaken. In addition as I stated in reply to a Question by the hon. member for Wolverhampton East (Mr. Mander) on 17th January I am at present considering a scheme for a further review of the cases of enemy aliens whom the tribunals have exempted from internment but have not exempted from the special restrictions applicable to enemy aliens."

Conscientious objection has been allowed to go rather far. Advice bureaux and even

mock tribunals for rehearsing objectors in the presentation of their cases are established in many parts of the country. These are organised by such bodies as the P.P.U. & the No Conscription League as well as the Society of Friends.

Walter THOMAS has told us the history of the OLDHAM case. OLDHAM was employed as a cypher clerk in the F.O. and committed suicide a few years ago. It appears that he approached the Sov. Embassy in Paris who thought he was an agent provocateur and turned him down. Later OLDHAM, who was a heavy drinker and in financial difficulties went over to Paris and offered actual information regarding cyphers etc. After checking the accuracy of these documents OLDHAM was taken on and was the fore-runner of KING.

JANUARY 26th

Left at mid-day with flu.

JANUARY 27th-28th

Away.

JANUARY 29th

S.I.S. material: There are indications of a possible break between the U.S.A. and U.S.S.R. over Sweden. It is said that the USA have withdrawn their experts from USSR and in particular from the oil industry. This may lead to a serious dislocation, even though Germans are coming in to take their places. The Swedes are giving considerably in personnel and equipment to the Finns. Wyjnkeep, the Dutch Communist M.P. who has been active in revolutionary movements for

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the last 20 years, has asked the appropriate minister in the Dutch Parliament whether it is true that a centre of British Intelligence for Western Europe had been established at the Hague. This is I think of interest as a possible connection or collusion between the German and Russian Intelligence Services

The Americans have written to us about the case of Henri KENNIS. So far their enquiries have not produced anything of interest.

They are worried however because has been making enquiries independently of the police. This has upset Dunn of the State Dept. I have informed S.I.S. and suggested that it might be for consideration whether we or they should not have a representative in Washington, who could be in close touch with Dunn.

The Govt.s policy of allowing holiday travel to France has raised a number of problems. They propose to limit the passports to France only and to instruct consuls not to grant any extension of the passport without reference. We have written to S I S. and to the F.O. suggesting that they should ascertain from the French what steps they can take in order to prevent British subjects leaving France and communicating with the enemy. We have also asked that we may be informed of the significance of a French exit permit and suggested that the French be told that our exit permit carries no guarantee of the holder's bona fides. In the meantime we are preparing something in the nature of a black list for Communists, members of the BUF etc. for circulation to Passport and Permit Office.

The TITFORD case is still going on. There may be something in it but personally I am doubtful.

Pressed by the First Lord of the Admiralty H.O. have made a rush decision to intern MARKMANN, his brother, and two sisters. This has been done. Nothing of great interest was found beyond a German military manual in which was enclosed a map of Aldershot.

We have had a report that on the 16th Jan. at 4.50 p.m. a man descended by parachute in the neighbourhood of Sittingbourne Kent. 4 or 5 persons are prepared to say that they actually saw the parachute and the incident may be confirmed by the fact that a sound plot was traced in that vicinity at that time. The R.A.F. say that they have done no parachute descents in that area. Enquiries are being made. Another similar incident is said to have taken place on the 11th Jan. at Admiral Wood, Bickner, near Maidstone.

On Jan. 26th J. Henderson, Socialist, asked the Home Secretary whether he proposed to put Miss Unity MITFORD into a home or hospital under supervision until she was sufficiently recovered in health for detention under the provisions of D.R. 18b, having regard to her recent hostile associations. Sir John Anderson replied "In the exercise of the powers conferred on me by this regulation to order the detention of persons who have hostile associations it is my duty to consider whether, on the facts of each particular case, detention is necessary in the interests of the Defence of the Realm.

Catalogue Reference: KV/4/185 for me to state in advance whether or not it may become

necessary to take any such action in respect to any particular individual."

Air Ministry Intelligence states that if the American experts leave the U.S.S.R. the oil refinery plans will be ruined by Soviet engineers. They do not think that the presence of German specialists will save the situation owing to their unfamiliarity with the plant combined with the obstinacy and conceit of Soviet technicians. Air Ministry estimate that the existing Soviet production capacity of high grade petrol will be seriously over-strained. There is already a shortage of petrol on the Finnish front. Russian imports of U.S. oil fuel at Vladivostock have been stopped by U.S.A. since the outbreak of the war on Finland, but it is uncertain whether the deficiency of supplies to the Russian army on the Finnish front is due to national shortage or the breakdown of transport. During the period 1st Dec.-25th Dec. pilots of the Finnish DXXI Fokker Fighters shot down 56 Soviet planes without any losses to themselves.

I saw Ned Reid about BRUNCK, who according to Padgham has been paying Schultzer-Bernett the head of the German S.S. in Holland. Ned said that he had known BRUNCK since 1926 and was on very intimate terms with him, although he did not have a very good opinion of his bona fides. He first met him when studying banking in Hamburg. After the revolution BRUNCK formed a company called the - Finanz Komptor in Berlin, which Ned found to be a mushroom concern. This puzzled him since it was clear, that BRUNCK was disbursing large sums of money. One day in his cups BRUNCK disclosed by hints here and there that he was working for the German Govt. and it seemed clear to Ned that

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he was financing Deutschland im Ausland in Roumania, Danzig, Schleswig etc. His connection with the Govt. was confirmed by a conversation by Ned with the Reichskredit Gesellschaft where a friend of his told him that a mutual acquaintance BRUNCK had just been calling upon him. A short time before the war BRUNCK established a firm at the Hague called Hollendische Buitenland and asked Baring Bros. to take some share in the business. The deal was complicated by a suggestion that Barings should be trustees for some unspecified people whose identity BRUNCK would not disclose. Barings consequently turned down the business. Nevertheless BRUNCK opened an account for his company with Baring Bros, details of which I have to obtain. It would be extremely amusing if Barings were paying all the German agents in this country.

BRUNCK married a nurse from the London Hospital who looked after him when he was ill. She is of Irish extraction, but more Cockney than anything else. I am proposing to leave her \$45,000 account with the Guaranty Trust in New York alone for the moment, until we see what Barings can produce.

JANUARY 30th

Sneath had a meeting with MOSLEY on the 24th when he visited BUF HQ. to obtain the letter from DUVIVIER to Raven THOMPSON. Sneath was accompanied by an officer of SB. MOSLEY himself was standing in front of his desk and did not seem at all surprised at the visit from the Police. He adopted at once an attitude of extreme affability and disarming frankness. It seemed clear to

Sneath that he was anxious to show that the great Fuehrer was as much at his ease with 3 slow-witted policemen as with kings and presidents. He expended all his charm and explained that he had long been awaiting the opportunity of talking to the authorities. He could not understand why they should pursue a hole and corner method rather than a straight-forward man to man talk which would clear everything up. He had always been expecting the police to tap his telephone and read his letters but apparently they had not done so. He was only too anxious to give any information about BUF finances, which involved an expenditure of about £8,000 a year. This included the cost of maintaining NHQ and a small subsidy paid to Action which was now fortunately almost self-supporting. As regards the money paid to Mrs. ELAM he had nothing to be ashamed of and nothing to conceal. There might have been an air raid. His headquarters might have been smashed by a mob and he himself was expecting to be assassinated. He had in fact taken certain precautions. It was necessary therefore to disburse the funds in case anything should happen to headquarters or the leaders. Inspector Bridges then interposed "Well, Sir Oswald, as a matter of fact, we have not come about this money". Sir O. did not lose his composure at all. "Ah" he said "I know, I know. The Elams were friends of young Edward WHINFIELD, I hear that he has been detained." His face wore for a moment a look of sadness, for the leader is not indifferent to the misfortunes of even the least of his followers. He then went on to say that WHINFIELD had been one of his parliamentary candidates and that he had disapproved of his gadding about the

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continent instead of concentrating on his work in England. He would however be very surprised to hear that WHINFIELD had been working for the Germans. Mrs. WHINFIELD had also behaved indiscreetly and was in fact a very foolish woman. As regards Dr. KRUGER, Mosley had met him at the Elms. He had met others there, such as MORNING and Lord COTTENHAM. Dr. KRUGER had written a book about Jews and was an able research worker and not at all the kind of person who would act as an agent. Inspector Bridges again intervened to say that he had in fact come as he wished to see a certain document. Sir O.'s composure was in no way shaken. "Oh, please - you can see any document you wish", he said. The file was sent for, and in the meantime the leader gave the assembled company a lecture on the foreign policy of the BUF. Not however in the style of his public speeches but as one Englishman to another. He seemed to sense the question which was in the minds of his audience. "I do not want the Germans to win," he said, "I want peace now, before England has been reduced to a dung heap. After the politicians reduce England and the British Empire to a dung heap, they are not going to get me to take over then. I shall retire from political life".

Among other things Mosley said he thought Germany could withstand a blockade for at least 7 years, and that there was no possibility of internal upheaval since the Gestapo was the finest secret police in the world had ever seen. He did not think Hitler wanted to smash the British Empire. He had personal contact with him on 2 occasions and both he and his wife were convinced that

Hitler did not want to harm England in any way.

The Duvivier file was then produced and contained the required letter among other correspondence of a harmless nature. It did however contain correspondence which made it clear that certain members of the BUF had an almost unbalanced admiration for everything German. The leader was asked whether he approved of this. He said he quite realised it and it was a great worry to him. In fact he could produce a list of people he had expelled because of their pro-German sentiments. He admitted that an enemy agent would find a pro-Nazi member of the BUF a good cover for his activities. As regards peace movements he said he was willing to support any peace movement led by sincere people whom he could respect. He would have nothing to do with communists. On the British Council for Christian Settlement in Europe he said he thought Tavistock was a good fellow but he would have nothing to do with BECKETT who was a crook. He did not think that the latter would work for Germany. Mosley was still in touch with Gordon CANNING but did not hear much of him. When the party left the leader's presence they had the impression that he was convinced he had made a profound impression on them. He struck Sneath as immensely vain, a bad judge of men and extremely urbane and cunning, and entirely lacking in sincerity. His chief handicap is probably his excessive vanity which must make it difficult for him to take an objective view of any situation. Francis HAWKINS is obviously a complete nonentity, very timid and lacking in intelligence, and Raven THOMPSON, who flitted in for a few moments, looked less stupid but rather

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The general impression of the offices was that there was not much going on. The visit of the police had obviously been long expected and probably any compromising documents had been disposed of.

Duvivier and Crowle have both been given 6 months hard labour.

There was a board meeting today when I raised the question of codes and also of travel to France.

KRASSIN
I spent 3 hours with Walter THOMAS and found him most interesting. He eyed me very carefully when I went in and was evidently wondering whether he had seen me before. I did not attempt to deal with current subjects, but went right back to Sidney St. and the early days of the expropriators. He had heard something about all this but evidently did not know that the bank robberies etc. had been organised by the Party, neither did he know that Krassin had had anything to do with this organisation. It was a great shock to him when I told him that Krassin was corrupt. He said "You see, I have been driving in one direction for the past 20 years. I have received a good many shocks and am trying to get my bearings again. What you tell me about Krassin is a great help".

I asked him about Krassin's part in getting Lenin and Trotsky back to Russia in a sealed train. He said that he had never heard of Krassin in this connection. He had always understood that Kanetzky, Furtenberg, Bronsk-Warshavsky, Vorovsky and Koslovsky were the principal people concerned. He had never heard of the Frumkin brothers, Jacob and Michael, in this connection or in fact in

any connection. He confirmed my views about the functions of the Russian C.P. cell, which to some extent varied according to the status of its members. Since the late 20's the cell had had nothing to do with internal politics in this country but was merely concerned with Russian Party matters. As regards White Russians he knew nothing about any individuals here but was quite certain that Russia was making excessive use of White Russians and would continue to do so since they would now be more likely to fall in with Soviet imperialist policy. The Society of Old Bolsheviks founded in 1921 by Lenin had never had any executive functions or any very great influence on the course of events. In explanation of the Soviet-German pact he said that the VNO or Military Scientific Society had decided that the Germans would be ready to fight in 1939, and that ultimately they would fight Great Britain. Stalin was convinced that the British Empire was on the downgrade and nearing its end and had no conception whatever of western mentality. He therefore preferred to throw in his lot with the Germans.

Commenting on Hyde Park meetings, he said that quite a lot was known about these meetings in Russia, but that a completely distorted view prevailed. They were looked on as backed by the British bourgeoisie and controlled by the British OGPU. The same view was taken of the Trade Unions.

Before leaving I tried to explain to THOMAS something about our institutions here, and expressed the view that perhaps all parties performed a useful function. I learned afterwards from Jane that he found the

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discussion interesting but thought I was wrong.

Archer has had a long interview with Handley Page who wants LACHMANN to go on with designing of a tailless aeroplane at his internment camp. Handley Page admitted that LACHMANN still had feelings for his native country. It was agreed that LACHMANN should have his papers but that nothing could pass between him and Handley Page without Air Ministry supervision.

JANUARY 31st

Gordon CANNING has applied for an exit permit. He was turned down and has returned to the charge on the grounds that he wishes to accompany his ailing wife to the south of France. The matter has been referred to the Home Office.

A Dane named Thorbjorn MOLLER, a teacher of religion, has applied to go to Eire to study aspects of Irish Catholic life. We do not altogether like the look of this applicant and are making enquiries.

Halifax has written a very strong letter to the Treasury regarding F.O. Communications Branches at home and abroad. It has evidently been realised at last that they are in serious need of a thorough overhaul and that a good deal of money will be required if our cyphering arrangements are to be in any degree secure. From what I hear from Arthur Pollen, the Treasury's charity might well begin at home.

I discussed with Turner today the question of

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Category C. and the possibilities of getting enemy aliens so classified sorted out. It occurred to me that possibly C.4 who are dealing with the restricted occupations might be able to help us. On enquiry there I found that they had definitely turned about 50 out of 800 or 900. These 50 are mostly enemy aliens and might perhaps form a category for internment if the war develops. This section either turn down a man for good and all in which case his registration certificate is stamped to that effect, or they turn him down for a particular job in which case his certificate is left blank and it is open to him to apply again for work with another firm, which may be engaged on less confidential work. It seems that there are a considerable number of enemy aliens (several thousand) who have never put in an appearance before the tribunals. I have suggested to Turner that when these are rounded up they should go before the Revision Tribunals and not before the Advisory Committee, as has been suggested. C.4. have obtained an analysis of the work of the tribunals from the German Refugee Committee. This shows how each chairman has worked and makes it very clear that the sorting as far as B. and C. are concerned is quite valueless. Some chairmen started off by putting everybody in B. and after the first few weeks putting them all into C. The Refugee Committee report was compiled really with a view to seeing that Jewish interests were safeguarded. The report shows the degree of attention paid by chairmen to information supplied by Bloomsbury House.

Gilfillan came over today. We had a discussion with V.V., Cecil and Harry.

Gilfillan was told about the suggested appointment of Hill Dillon as liaison officer with N.Ireland Command. Nobody seems very clear as to what he was going to do but it was generally agreed that on no account should he be allowed to dabble in S.Irish affairs or run agents into S.Ireland.

As regards Bowly, Gilfillan seemed to get on with him quite well but thought it would be a good thing if he could be given a hint not to deal with subordinates. Trouble in this connection had arisen over the case of Stephenson.

Numerous cases including UNLAND, P.KILSBY and FLUKE were discussed in detail, and we did our best to put Gilfillan somewhat in the picture. I asked him if it were possible to pin down his agent to more definite statements and to give us more of the background of the reports which he supplied. He did not seem to think that this would be very easy. The fact is that he has what would appear to be a good informant but that by the time the information has been transmitted through various Irish intermediaries who do not even know what a German name should sound like, it is very difficult to get hold of anything to work on.

FEBRUARY 1st

Newsam spoke to me about the case of HUBSCHMANN, a German so-called refugee photographer employed by Picture Post. This man had been before the tribunal and had been placed under restrictions which prevented him from using his camera. Endless letters had been sent in by influential people, saying that this man had been deprived of his livelihood.

We had as a concession recommended that he might be allowed to use a studio camera indoors. The facts are that British subjects come to Picture Post with suggestions for serial photographs and are turned down. A few weeks later their idea is taken up by HUBSCHMANN or by one of the other aliens surrounding Stefan LORANT. HUBSCHMANN is therefore taking the bread out of the mouths of British subjects. Further it seems quite fantastic that an enemy alien and expert photographer should be allowed to travel about this country without restriction. I have put both these points to Newsam who said he would put the case up to Peake but that he thought that our opposition could not be upheld in view of the numerous representations.

LANGENBERG, the German agent in the Netherlands East Indies who came to notice some time ago, has been arrested by the Dutch Authorities and also his secretary MIA. LANGENBERG's real name is Max AUGNER. Quite a lot of information was obtained about his activities, which is being forwarded to us in due course. The Dutch have expelled him but have permitted him to travel on a Japanese boat. The boat on which he is proceeding to Japan is known but in view of the Asama Maru incident the Navy have been told to look the other way.

The D.M.I. has taken note of Allan's report indicating that we are not satisfied with the aliens position and has intimated that he will give us any support we want through the C.I.G.S.

Claud COCKBURN has been turned down for an exit permit to Finland. Dupress of the Press Dept.F.O. had written to RUST of the Daily

Worker saying that he had given COCKBURN a personal recommendation to Godwin of the Passport Office. Actually at the same time he had warned the Finns not to give COCKBURN a visa. This was reported to Maxwell who was highly incensed and got into touch with Cadogan. The latter was hopping mad, and Duprees duly received his raspberry. D.S.S. states that ~~he~~ has been agreed between Maxwell and Cadogan that the practice of granting exit permits and then suggesting to foreign governments that they should refuse visas should cease, and that we must stand on our own bottoms in future!

A Moslem reporting on the Congress Indian Day meeting at Kingsway Hall says "The proceedings began with what was called an Indian song, sung by a number of enthusiastic youths all out of tune. It was therefore rather an unkind remark which fell from the Chair, to the effect that it was a musical expression of India's aspirations."

With regard to the loss of Eire mails, Dixon now writes that the bags for the D.O. have turned up. The delay is due to the fact that for some unexplained reason they had been to New York and back. Enquiries are being made and the question of a courier is being considered.

I had a meeting with Gen. French today about codes. He now inclines to the view that perhaps a coding section would be better placed in M.I.5. He anticipates difficulties in this matter from Worthington, but said rather pointedly that if it was the best solution Worthington would be over-ruled. There is to be a further discussion.

FEBRUARY 2nd

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Further information has been received about Gordon CANNING, which indicates that in addition to taking his ailing wife to the Riviera he intends to meet a man called BARNES, who is also concerned in peace movements, on the Italian Riviera. We have passed this information to H.O. who had decided to let CANNING go on compassionate grounds.

There is to be an International Force which is to proceed to Finland. We have asked sub rosa to vet British subjects. Officially we are proceeding with a Non-Intervention policy in Finland.

An elderly statesman with gout,
When asked what the war was about,
In a written reply
Said "My colleagues and I
Are doing our best to find out."

Walter THOMAS is coming out of his shell, and has told us quite a lot. He has as far as possible given us a detailed picture of the 4th Dept. and the OGPU. He obviously has a conscience. He is quite ready to talk about representatives of the OGPU or individuals that he was up against, but he is reluctant to disclose his own 4th Dept. agents unless we can show him that we already know something about them.

I have put forward suggestions that the Revision Tribunals should deal not only with Category B. but with non-refugees in Cat.C and also with so-called stateless aliens.

I have further recommended that proper stenographic minutes should be taken, that we should if necessary be represented, and that our instructions to tribunals should be accepted.

Newsam seems to think that you cannot ask an enemy alien whether he is prepared to support the British cause any more than you can make such a request to a neutral. This seems to me to show a complete misconception of the position. In the one case we are dealing with enemy aliens and in the other with neutrals.

Passport Control New York, has blotted his copybook by making enquiries about Henri KENNIS direct with the police authorities. I have written to V.V. about this, suggesting as a possible way out of our difficulties with Dunn of the State Dept. that we should appoint somebody either from his office or ours to reside in Washington and carry out a direct liaison with Dunn.

Paul CHOURUPINE has been arrested by the Greeks and found to be in possession of a document in German outlining plans to discredit British currency in the Near and Middle East and S.America.

Ivor MONTAGU has been turned down for an exit permit.

H.O. reports dated 27th Jan. show that 540 enemy aliens have been interned by the tribunals.

Air Ministry Intelligence indicates that the French experimental station have tested a captured M.F. 109 which contains an 1100 h.p. engine. The speed is 354 m.p.h. as

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estimated by the Air Ministry, but the climb is not so good as was thought.

FEBRUARY 3rd

Spoke D.D.S. re proposals that 40 Germans should be allowed to return without being isolated. He takes the view that these people must go back in batches on a reciprocal basis. I also discussed with him the Revision Tribunals. He told me that the Admiralty had originally said that they should be the judges of who was to be allowed to reside in protected areas affecting the Navy. It was eventually arranged that they should have a representative on the tribunal and that the W.O. should do the same if they so desired.

The Canadians have telegraphed to say that SIS agents in Japan who are being worked from Vancouver are blown on and regarded by the Japs as drug traffickers. It is lucky that we told the Canadians about these people otherwise we should not have got this information.

I have been looking up our file for ENGELBERG of the German Consulate in New York who was murdered the other day. He was here in 1933 and told us that he used to report on the political reliability of people in the Embassy. He then went to Italy and later to Austria where he was doing the same kind of thing. He had very high connections in the Party. I passed this information to the Americans, and have suggested to B.2 that they should carry out further investigations into ENGELBERG's former contacts here.

KRIVITSKY

Walter THOMAS tells us that some years ago the Jesuits made a very determined effort to penetrate Russia. THOMAS himself interviewed these people whom he described as extremely tough. Their proposal was that they should be given a free hand to nobble the Orthodox Church and that in the exchange they would supply the 4th Dept. with information about counter-revolutionary activities. They worked for 2 years and then Stalin kicked them out. I am going to get further details about the matter at my next interview with THOMAS.

says that the Italian Consul at Malta has just returned from Rome. He says that Italy cannot make war owing to lack of essential materials. The Air Force needs re-equipping, the anti-tank guns have not been perfected, the army needs complete reorganisation and the ministers are at logger-heads. Efforts are being made towards trade expansion and everyone wants peace.

FEBRUARY 4th

Travel abroad fluctuates at about 3350 and 10,861(Xmas). The average daily traffic is about 6,720.

Stafford has put up a long memo stating the present position with regard to travel and making various suggestions. I have made out a note giving our views and criticisms on the report and Adam has dictated a general note on travel policy.

A Treasury Committee called the Stephenson Committee has been examining the work of the Censorship. They have made a report to the effect that in this war "admittedly more importance is attached to work for M.E.W.

than for the Security Service". A meeting has been called to discuss this report. Although M.E.W. may be more important than in the last war it does not follow that security is less important. Further, that the censorship have only been dealing with about 10-15% of correspondence to certain specified countries, which may account for the rather indifferent results. Their work as regards letters has amounted to little more than a lucky dip.

"Snow" has offered some information to the Germans and has been asked to go over to Antwerp.

Miss Bagot has had a traffic index return showing a man's age as 517. He has a small son aged 6. His name is Moses. (?Methusalah?)

FEBRUARY 5th

D.S.S. and Kenneth attended the Censorship Meeting today. Monkton was in the Chair. Altham of N.I.D said he did not know the basis for the views expressed in the Stephenson Committee report but he could only say that they were certainly not those of the Admiralty. The meeting seems to have been a success from our point of view since Monkton rather felt that the censorship should be increased and that money was no object since it was making large sums through the confiscation of bonds, securities etc. A further point which emerged was that commercial mail were not as valuable to MEW as formerly. It had become known that they were being dealt with by the censorship and private mails were being used in consequence.

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Spoke D.D.S., who has arranged with Cooper that parties of German women, and German men over 65, should only be allowed to return to Germany in batches.

Curry tells me that the ARNHEIM case is developing in rather an interesting way. There would seem to be considerable grounds for thinking that ARNHEIM may have been acting as a German agent, but there is at present no direct evidence that the wife was involved. It is not unlikely however that she is cognizant of what her husband is doing.

FEBRUARY 6th

Ned has sent me a copy of BRUNCK's account which looks as if it may be of interest. A good many of his transactions have been with the Reichskredit Gesellschaft, but there are also some payments to private individuals which may be interesting.

D.M.I. has arranged that no Ordnance Survey Maps can be supplied from this country to neutral countries except under special permit. This does not cover despatch from U.S.A. of maps already in possession of firms there or from Canada, to American firms. The International Map Co. of U.S.A. have volunteered information about maps which they were asked to supply to Berlin. They have turned the order down and will doubtless keep us informed if they hear of other orders. In the meantime approaches are being made to the Govt. of Canada asking for their co-operation in the scheme. I have suggested that we should find out what the possibilities are for the purchase of maps here through Eire.

Siegfried Israel KOHN and his wife Franziska arrived here on 2.8.39 as refugees. The husband is employed in a toy factory run by a German named Hugo HEIDECKER at Aberavon. We have now learned from the censorship that the KOHNS obtained their employment through ardent Nazis in the Argentine who hope that Germany will defeat England. The local C.C. who is making enquiries remarked that it is a matter of grave concern when enemy aliens who have arrived in this country a matter of weeks before the outbreak of war are granted full exemption by the tribunal from internment and from all restrictions.

Wing-Comdr.R.G. BLOOMFIELD D.S.O., has written an extremely indiscreet letter to a certain Wallace GROVES relating to measures for combatting the magnetic mine. The offending passage was in the form of a p.s. in BLOOMFIELD's own handwriting. The rest of the letter was typewritten and inoffensive. BLOOMFIELD has been placed under close arrest and Stammers has asked us to make enquiries about GROVES, who is in America.

We have received a report from the censorship that De V. was proposing to fly over and see the King regarding the two I.R.A. men awaiting the death penalty. I informed Stephenson D.O. who told me that there had been a suggestion that DeV. should see the Prime Minister but that an intimation had been given that no useful purpose would be served.

V.V. has produced a report indicating that there is considerable submarine activity on the west coast of Ireland. It does not seem to amount to more than a submarine servicing periodically within the 3 mile limit.

N.I.D. has been asked to say whether they have had any reports through official channels.

Poynton C.O. informs me that the Comintern is publishing a new Colonial Bulletin here. I have asked him to let us have his comments as to the undesirability of this publication being allowed to circulate here or in the Colonies.

I have had a consultation with D.D.S. regarding his memo on travel policy which has now been completed and forwarded to all members of the Travel Committee. It has pointed out that travel is at present 6 times as great as it was in the last war and that it can only be controlled with reasonable security if the numbers are reduced to 350 per day, which is the limit of M.I.5's capacity. To do this it is suggested that certain categories should be refused leave to travel and that others should have the number of their Journeys per year limited. Travellers, regardless of nationality, should be considered as being either victorists or defeatists and should be dealt with on their merits accordingly. A Black List should be avoided since it would be misleading and incomplete.

FEBRUARY 7th

I find that Jeune, for whose appointment I have been pressing, has already been in the office for 2 weeks. This office is rather like "Youth at the Helm". I am quite sure that if somebody came in here and said they were B.21 and were dealing with South Americans nobody would be any the wiser.

Hill Dillon called today. He has been appointed as G.S.O.2. Liaison Officer with Northern Ireland Command. He seems to be extremely knowledgeable about general conditions in Ireland and obviously has great experience, but it is very difficult to see exactly what the purpose of the appointment is. He told me that the G.O.C. Pollock whom he knew personally, had sent for him and asked him whether he would be prepared to join his Staff. Herrather gathered that the G.O.C. felt himself very much in the dark about Irish affairs and unable to get any very definite information as to what was going on either in the south or the north. Nothing very definite had been said about other duties but there seemed to be a possibility that Hill Dillon might have been called upon to run some kind of a show into southern Ireland. He himself was obviously reluctant to do anything of the kind, particularly since even before his appointment had been made a neighbour had told his wife that she had heard of Hill Dillon's appointment as an Intelligence Officer to G.O.C.N.Ireland. His wife denied this and when she asked where the information came from was told that she had heard it from Mrs. Pollock.

I gave Hill Dillon as complete a picture as I could of all the services operating in Ireland and expressed the view that any further attempts to penetrate southern Ireland would lead to endless confusion. He entirely agreed and when we parted he seemed very doubtful about the utility of his appointment, which could be perfectly well covered by Bowly, the S.C.O., if the latter knew more about Irish affairs. Hill Dillon never wanted the appointment but accepted it as a military duty. He realises that he is running considerable risks which he would be

quite prepared to accept in time of war, but he did not see the use of getting a bullet in the back if his appointment is not really going to be of any benefit to the State.

Special Material shows that the Swedes are enquiring for fighter aircraft but do not wish the fact to be known. Speaking to Scandinavian journalists in confidence on Feb. 2nd Winston said that Norway and Sweden must give every possible assistance to Finland and that if Germany attacked them they could rely on England.

A secretary of the Chilean Embassy speaking to a friend says "I like this job. It is quite interesting writing all those letters to the M.E.W. asking them to release cargoes pretending that they are what they are not. It is quite fun. Sometimes they are not what we say they are."

Jebb has got a grant of £100,000 to re-organise F.O. Communications, which is sorely needed.

We have now heard that an escaped barrage balloon was responsible for the rumours about Germans descending in parachutes at Bickner Wood in Kent.

FEBRUARY 8th

U.35 has just returned from Holland and Belgium. Reports which have reached him from the German Embassy in Brussels indicate that there is now to be a return to Mein Kampf. It seems to have been realised that the destruction of the British Empire is an almost impossible task. Generally speaking defeatism is rife amongst the majority of

the staff of the Embassies at the Hague and Brussels. How far this is a reflection of Germany is doubtful. One informant whom he saw had recently been in the Rhineland where the same sort of atmosphere appears to exist. There is a good deal of grumbling and reference has been made to people being lucky because they are what is known as Left-Bankers i.e. they reside on the left bank of the Rhine which it is anticipated will before very long be French territory. A story was told him about taxis in Cologne. Nobody can get a taxi at the station unless they have luggage. They therefore resort to the practice of going to the station with a large suitcase and coming out again in order to obtain the services of a taxi.

The aviator who came down on Belgian territory with information of the last Dutch-Belgian crisis had apparently genuine documents with him and was not intended as a plant. The Germans were highly amused that he was accepted as such.

German military information from France and Gt. Britain is said to be good. The OGPU are working in with the Gestapo and are obtaining a certain amount of information from refugee circles in this country, though not of a very high standard. Information they are getting from other sources is good. The Prime Minister is still thought to have a considerable following in Germany and his presence in the Govt. is believed to have a defeatist propaganda value among a large section of the German people.

I saw Bobby Petherick today. He is liaison officer in France between the British and French Censorship. He told me that the

French Censorship was in a frightful muddle, owing to its being highly decentralised. A great deal of its energy is expended on the interception of correspondence within France.

There have been certain developments in the UNLAND case in spite of the fact that his correspondence is being constantly interfered with both by ourselves and the Fire censorship. His visitor has never turned up and he himself now contemplates a journey to Copenhagen, after seeing his contacts in Belfast.

Somebody in the censorship seems to be pulling the leg of Spens, employed in that office on unravelling codes. They have sent a letter to Arthur SCHUTZE's correspondent in Switzerland which contains a chess code. Spens with great labour has worked out the answer to find that it contains information relating to the move of the censorship to London and plans to bomb it out of existence.

Baillie Stewart's mistress has been discovered here as a W.A.T. driver to the Censorship.

The General Secretary of the Y.M.C.A. World Committee, an American, recently paid a visit to France to see the internment camps. It seems that a great deal is being done in the moral and spiritual welfare of internees and that they enjoy a considerable measure of liberty. Certain areas are allotted to them and provided they report themselves at stated times they can move about with comparative freedom. There are also plenty of facilities for education and recreation. Some have joined up in Labour Battalions. Others have joined various legions and a certain number of others have been released after examination.

Special Material shows that the Captain and crew of certain Danish ships which were recently attacked from the air have refused to sail unless the Danish Govt. gets an assurance from the German Govt. for their safety. Alternatively they demand to be allowed to sail with a British convoy.

FEBRUARY 9th

Count Rolfe BECK has been refused leave to embark and has been searched at the port. The Czechs apparently regard him with grave suspicion.

Dutch parcel mails to Germany have increased 250% owing to Liebesgaben. Anti-German feeling in Holland seems to be strong.

Forged dollar and British currency notes are being distributed in the Balkans and Middle East and a gang employed on the same work has been arrested in Canada. This looks like a joint German-Russian plan to discredit British and American currency.

FEBRUARY 10th

It has been decided that JEUNE shall begin his work on establishing contacts with internees. The object is to obtain information about people already interned and any possible friends outside and also to get advance information of any plot to escape. He is working in conjunction with A.G.3.

D.S.S. told me today about a case of leakage. Some M.P. baronet went to France where he saw Reynaud. For no particular reason Reynaud seems to have disclosed the whole of the Allied plans on the Western Front. The

M.P. then came back here and started talking.

Maude has been investigating a leakage disclosed by a Ukrainian timber merchant named LAHOWSKY. This man had been talking to someone in the Ministry of Supply and expressing anxiety about Scandinavian timber. He was told that he need not worry as we should shortly have an expeditionary force in Scandinavia to safeguard our interests. This is the first indication of any such move that we have heard. We had of course previously heard about an International Brigade to assist Finland.

Lord Killannin came to see Cecil today on the introduction of Wakefield. He owns most of the property round Spiddal in Western Ireland. He gave us some quite interesting information about local activities, some of which came from the Catholic Bishop. On one occasion he had met PETERSON of the D.N.B. at some bar in Dublin. Jokingly he said "I suppose the Germans are very interested in everything that goes on in this little one-horse town?" PETERSON had blushed to the roots of his hair.

Killannin also knew STEWART, the son-in-law of Maud Gonna Bride. He thinks that STEWART who is a very likeable person but hotly pro-Nazi might quite easily be acting for the Germans. He did not know that STEWART had actually gone to Switzerland quite recently or that he had obtained a visa there for Berlin. He mentioned that STEWART was extremely interested in racing. This may be significant as UNLANE has a contact who follows the same hobby. Information that we had from other sources makes it quite clear that STEWART is frequently at the German Legation in Dublin.

A War Office report shows that Tass and the D.N.B. are now co-operating closely.

Derbyshire has just lunched with Grand, who seems to be planning some wild-cast scheme in the Caucasus... For this he is trying to enlist the services of General DRO, the Dashnak leader who joined the Communists in 1920.

We have allowed SINFIELD, the Communist, to go to France provided he does not enter a military area. We also have a request from the N.U.R. to allow LOEBER of the Railway men's executive to have a visa to proceed to Eire. LOEBER is a Communist but as he seems to be concerned with the genuine business of his union we propose to compromise by suggesting that his visa should be for 3 mths.

FEBRUARY 11th

Jan Kurt LOHRY has been put forward for internment under 18b as a dishonest Czech, without means, and a suspected Gestapo agent.

The Oxford Instrument Co. have been making photo-electric cells for a photo-electric bomb. These bombs are to be dropped on aircraft in flight. Shadow or diminution of light caused by the target is sensed by the photo-electric cell and amplified to explode the bomb. These bombs have been found by tests to be highly successful and it is believed that the Germans have something like them. The manager of the Oxford Instrument Co. is very perturbed as cheques in payment to his company have been endorsed as being for photo-electric bombs. These are sent out in envelopes with open fronts so that were the cheque to become displaced the nature of

the payment would become apparent, to the postal authorities as well as to the Bank. There has also been indiscreet talk about this invention by an A.I.D. inspector.

The Americans have telegraphed to say that Wallace GROVES, to whom W/C. BLOOMFIELD was writing, is a crook of the first water. He has been indicted for fraud and seems to be a kind of American Clarence Hatry.

A censorship letter from Bulgaria indicates that the King is pro-Ally if he dared to admit it, the Queen pro-Italy, the Army pro-German and the people pro-Russian. A joint invasion by Germany and Russia sooner or later is expected as a matter of course.

S.I.S. material: Goering is in favour of Russian co-operation under a new regime where he would take charge. He has broken with the heavy industrials and thinks he can control the other prominent Party members. Another informant speaks of a possible break between Hitler and the Generals within the next 2 months.

The Russian economic negotiations are being unsuccessful. Hitler is angry. The following is said to be the result of the recent discussions between Czaky and Ciano in Venice. Hungary and the Danubian basin are to be an Italian sphere of influence, Roumania is to be a German sphere. Germany would demand a passage through Russian Poland to Roumania. Italy would ensure that Hungarian and Bulgarian claims were satisfied by Roumania. Germany would see that Russia did not attack Bessarabia. It is thought that Germany does not contemplate active operations in the Balkans but merely

economic penetration under threats. Russia is giving increased support to the Chinese in order to keep the Sino-Jap conflict going. She evidently fears that the Japs may take advantage of her embarrassment in Finland. The new opposition to Stalin's entourage is said to have made its appearance. Those connected with this group favour a regime of Russia for the Russians with Stalin at head. They demand the ruthless prosecution of the Finnish^{NW} but do not wish to become engaged in a major war unless they're attacked. Co-operation with Germany is to be limited. No Germans are to be allowed in the Russian Army and only technical aid in industry. Individual farms are to be developed but the collectives are still to be maintained.

German steel production is said to be 45% below that of 1938 but in the case of a real offensive it is estimated that there would be sufficient supplies of steel to last 6 or 9 months.

Shekib Arslan is intriguing with the Mufti and the Germans to win over Ibn Saud to a policy of Arab revolt. Saud is adopting his usual non-committal attitude. There are as yet no signs of his giving away.

The Asama Maru incident has increased the prestige of the British Navy in the eyes of the Jap Navy. The incident has caused alarm in German circles who fear that their traffic route to Shanghai and Dairen may be interfered with.

The Jugo-Slav army is estimated to be good for about 60 days but not till April.

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FEBRUARY 12th

I had a discussion with Archer about the Oxford Instrument Company. He is asking the Air Ministry what action they wish taken and has suggested a warning in strong terms to A.I.D. inspectors.

I have passed a report to Herschel Johnson which I received from S.I.S. regarding leakage of information ~~relating to~~ despatches between Kennedy and Roosevelt. This appears to come from a reliable source.

I had a talk with D.D.S. about the Travel Committee. It seems that we are now committed to the policy of a Black List.

The Danes have a trade agreement whereby Britain takes 60% and Germany 40% of their exports of bacon etc. Two Danish ships were taken into the German Contraband Control at Bremen and the cargoes of bacon etc. for this country were eventually released. The motive for this is not clear. It may be propaganda intended to show neutral countries that they get much better treatment from Germany than from England.

It seems that there is a notice posted in the Orderly Room at the Scots Guards H.Q. saying that men are wanted who can ski in an arctic climate. Presumably this information is by now public property.

A report from the Cameroons shows that most of the Germans there are National-Socialists. A number of them have been released on parole and are working in their plantations under restrictions. They seem somewhat confused as to what they should do as good Germans.

S.I.S.material:

Mussolini has told Hitler that he cannot win the war either with or without Russia. He has urged him to break with Russia and make peace with the allies. He personally still adheres to the axis because he does not want to see National-Socialism destroyed. He feels that it might be the prelude to a break up of the Fascist regime.

It is reported that Germans have leased the Ukrainian oilfields from the Russians. It is felt however that many months and great expense will be needed to put them in working order.

A reported dated Feb.7th is to the effect that a German delegation has gone to Finland to discuss trade matters and that the Finns are visiting Germany regarding timber contracts.

Final figures of aliens dealt with by the tribunals are as follows:

Dealt with:	73,353
Interned:	569
Exempted from internment but not from restrictions:	6,782
Exempted from internment and from all restrictions:	64,244

55,457 were known to be genuine refugees.

FEBRUARY 13th

S.I.S. material: Hitler is still the unknown quantity, but three plans appear to be under consideration. (1) Defensive operations in the West sponsored by diplomats and part of the Army. (2) Mass offensive against Britain, excluding France. This finds most favour and has the support of Goering. (3) An offensive in the West including occupation of Holland and partial occupation of Belgium. Some senior Army officers are in favour of this but it is the most controversial plan and the least probable.

Special material shows that John Anderson was adamant about the Irish executions and that the P.M., Eden and to some extent even Winston were anxious to find a way out. GEROTHWOHL on 6.2. told the Roumanians that the Supreme Council meeting had decided to

Other journalists who seemed to know about this were Morton of the Herald and Bilainkin.

I had a talk with Roger about Communists in the event of war with Russia. We have a list of contacts in factories and D.Branch and Factory Managers are notified about these people. They can therefore be easily laid off in time of emergency if necessary. It would further seem desirable to intern all organisers and members of the Executive Committee, but I don't think it would be necessary at any rate in the first instance to make any recommendation that the Party should be declared illegal.

We had a Board Meeting without D.S.S. and D.D.S. to discuss the Travel Committee. We were all agreed that if the terms of

our memo were not to be accepted we were as an office in duty bound to report on the situation to the Fighting Services. We also considered the advisability of suggesting that the Passport & Permit Office should be under military control. Personally I don't think the H.O. would much mind if it was, provided that they were not responsible for answering questions in the House.

Turner has been making enquiries about an allegation that the police were rounding up large numbers of enemy aliens who had not reported to the tribunals. This is not in fact the case. If any are found the Home Secretary proposes to deal with them himself.

Had a discussion with Curry about the Mercedes case, and decided that our best course might be to ask S.B. to place at our disposal one of their best Inspectors who can work on the case under our direction.

The Enemy Trading Section have told us that as a result of investigating Cargo Superintendents London Ltd. have found that this organisation whose headquarters are in Geneva, has wide ramifications. It is engaged in wheat testing for the Wheat Commission and for this purpose has representatives in a great many ports. These people have therefore ample opportunity for advance information about the movements of ships. The firm employs a considerable number of aliens.

Snow has returned with £650 in dollars and Bank of England notes. His visit was highly successful. He saw RANTZAU and a Mrs. KALLER. He was contacted on the way by Samuel STEWART, who sat down beside him

in the carriage. They travelled over together and ~~both~~ RANTZAU told Snow that ^{he is one of their men} STEWART runs several shipping lines between Belfast, Dublin, this country and Antwerp. He was already suspect and we had intended trying to put somebody in on one of his boats. RANTZAU is visiting America shortly and will be returning in April. Snow brought back with him a letter addressed to one Eugene HORSFALL who resides at Felpham. The letter merely states that the writer had forgotten to give H. Mrs. WHINFIELD's address. Mrs. WHINFIELD is apparently engaged in the purchase of certain books which are to be used for code purposes. This is the same woman whose son was arrested in Switzerland and who is connected with Mrs. ELAM and the BUF.

Arrangements are being made to send over explosives and wireless parts secreted in electric torch batteries. The Germans are trying this out first with genuine batteries. The explosives are to be used for sabotage purposes.

D.D.S. attended a meeting of the J.I.C. regarding Finland. The Committee has been formed on which M.I.5. will be represented by Major Sinclair. It consists of Colonel Holland and representatives of the Air Ministry and Admiralty. The purpose is to camouflage the project to send an expeditionary force of 100,000 men to Norway about the middle of March.

The Japanese Vice Foreign Minister, discussing the Asama Maru incident with the German Ambassador on Feb. 5th made it clear that Japan was anxious to avoid any further incidents. In the course of conversation

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the German Ambassador told the Jap confidentially that the British have an arrangement with the Italians to pick Germans off Italian ships. When asked, the Ambassador said that indirectly his Govft. had approved this. (Probably he did not wish to lose face with the Jap or disclose any breach in the axis).

FEBRUARY 14th

Cowgill came to see me today, about a certain JAHNKE, with whom he had been indirectly in touch. At the outbreak of war JAHNKE was running an Intelligence Bureau in conjunction with KANARIS and situated in close proximity to Rudolf HESS, with direct access to the Fuehrer. JAHNKE was a Prussian Deputy who seems to have run an amateur intelligence organisation. His whole show was taken over, with himself at the head, by the Government just before the outbreak of war. JAHNKE had been getting copies of S.I.S. reports and also reports on Imperial Policy. He also saw the contents of telegrams or despatches between Kennedy the American Ambassador here and the State Dept. His informant here was said to be in the F.O. and to be either a clerk or the wife of a clerk. Cowgill was anxious to know whether this JAHNKE was identical with a man of the same name who had before Locarno been acting as an agent of the Russian 4th Dept.

Maude has had an interview with Arthur SCHUTZ and considers him very shifty. B.6. are continuing observation and M. is trying to work in an informant.

McLeod A.G.3. has written a most seditious personal and confidential document to his camp commandants which is a thinly veiled indictment of H.O. policy with regard to enemy aliens. In view of the situation he urges his subordinates to extra vigilance.

Farrer has sent me an amusing commentary on PLATINI, a suspected enemy trader about whom we had sent him correspondence. He says: "Mr. PLATINI's letters have occasioned a good deal of amusement in this dept. He will shortly be changing his address as the landlords of his office are about to to sell the distrained furniture for non-payment of rent. Meanwhile his friend in Mexico is pressing him to get credits for £5 million and come over to Mexico to sign a contract with Petroleus Mexicanos. PLATINI's friend, Mr. Angel BELLO, refers to the 126 companies in which PLATINI is interested and writes 2 pages of illiterate Spanish on the difficulties and expenses of doing business with Mexican officials. He has spent 47,360 pesos on banquets, drinks, etc. and in addition Mexican officials always live above their salaries and therefore want him to loan them money. He really begins to doubt whether the deal will go through. Mr. PLATINI is more optimistic however, for looking on the bright side, he states that he is the sole agent for Distribudora, the Mexican Govt. organisation for selling expropriated oil. As he is never likely to raise the fare to Mexico, the British Govt. might do worse than deport him."

There has been a slight hitch with Walter THOMAS. We offered him £1,000 and all expenses. Arrangements were made as to how the money was to be paid and Harker left

him apparently in good mood. This morning he asked for a private talk with Ally, and said that he did not wish it to be thought that there was any lack of faith as between himself and the British Govt. or that he had not given us information for other than ideological reasons. On the other hand, he had lost a contract with an American newspaper for \$6,500 and his news value was obviously deteriorating with time. He therefore thought that if we were going to give him a little nest egg which would be used by his wife, £5,000 would be a more proper figure. Harker went up to see him and after a great deal of talk and apologies etc. the little man threw up his hands and said "All right. Make whatever arrangements you like". The deal was finally settled on £2,000 and all parties seemed satisfied.

I had a further talk with Roger about action in the event of war with Russia. We thought that in addition to the action formerly proposed, all headquarters and otherspecial addresses should be raided and that orders should be made forcing the C.P. to submit their publication to censorship.

The Deuxieme Bureau have let us down again by passing to their Ministry of Supply information which we gave them about Charles BEDAUX. The French Ministry have informed BEDAUX that one of his contracts had been held up owing to information submitted by the British Govt. through the French Deuxieme Bureau, and gave him documents in writing to this effect. BEDAUX has now written to Walter Monckton who has passed the correspondence to Maude. I am taking the matter up with S.I.S. and saying that in future

if we cannot get some guarantee as to the handling of our information, it will be very difficult to continue our relations in the spirit of frankness and full co-operation

I had an interview with Walter THOMAS this evening.

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FEBRUARY 1950

We had a full Board Meeting about travel, when we voiced our grievances. D.S.S. and D.D.S. are agreed that if our memo to the Committee is not accepted in its major recommendations we shall have to notify the Fighting Services.

Slade of N.I.D. tells me that the Admiralty have intercepted wireless communications emanating from some station situated between Dublin and Wicklow. The messages were going between this station and Nauen in Germany. The signals have been taken down and are to be forwarded to us and to C. & C.S. Slade was proposing to pass the information to the D.O. but I urged him to refrain from doing this as I was not anxious that the Fire authorities should begin searching about for this station until we had seen whether we could do anything with the signals. It might be valuable to us if the station were allowed to continue at any rate for a time.

At Godfrey's request I saw Lord Rothschild, who is doing sabotage research work for M.I.R. He thought that the results of his experiments which were primarily for offensive purposes might also be of use to us in formulating a defensive policy. I told him that broadly speaking we wanted to give an answer to the factory manager who said "You tell me that in the event of trouble sabotage may take place on a wide scale. What do you expect me to do about it?" He saw this point and is going to consult the J.I.C. which is working on the problem. He will also try and keep us posted about bacteriological warfare.

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We have had a report today that one Henry ANDREAE who was anxious to obtain a commission was introduced by a friend of his, T. USHER, to a certain H.I. or I.H. ABELSON. He met ABELSON at the Charing Cross Hotel and also an individual styling himself Sir Curtis LAMPSON. He was told that the fee would be £600. When he demurred, he was told that an advance of £300 would probably be sufficient if an undertaking were given that the further sum would be paid as soon as his name appeared in the Gazette. We have put the matter in the hands of S.B.

FEBRUARY 16th

A short time ago S.B. informed us about a suspect Czech named Herta WEINFELDOVA who was establishing contacts with officers and generally acting in an extremely suspicious way. Further enquiries have confirmed the previous information. She has not registered and will be taken in on that account. Meanwhile we are getting an 18b order against here. I think she might be able to tell us something, although she herself is probably rather small beer.

We have also decided to wind up the TITFORD case. The woman is behaving in a very curious way and the informant, has disappeared.

Sinclair has attended a meeting of his committee under Col. Holland. Various projects were discussed for misleading the enemy about the Finnish venture. These include rumours about an important move in the Near East which we may be able to put across through double-cross agents, and also the sending of telegrams which will have the appearance of indicating a move in that

quarter. In the meantime Maude is trying to find out how far orders placed by the Ministry of Supply have given the show away. The situation here seems to be fairly reassuring, since many of these can be explained by the public announcement of a volunteer force for Finland. We are also going to try and find out how far the Swedes and Norwegians are aware of the project. It seems that they are being pushed somewhat reluctantly into giving support to Finland, but whether they know that it is our intention to land a force of 100,000 men in Norway is not yet quite clear. There seems to be some doubt still in fact whether we shall ever send a force to Finland, but full preparations are evidently to be made for action in Scandinavia as well as in the Near East. If the Germans are as confused as we are, there may still be an element of surprise in anything that we do.

The Japs have issued strict instructions to their Embassies that no technicians, people of military age or possible belligerent agents are to be carried on board their ships. These instructions are to be kept very secret. I imagine that this is the result of the negotiations between Craigie and the Jap Govt. If however it leaked out that they had made this concession, they would in addition to incurring the displeasure of the Germans, lose face and place a lever in the hands of the military party.

FEBRUARY 17th

S.B. officer at Holyhead has written in about the censorship regulations at ports. He points out that the instructions to I.O.'s and S.C.O.'s are conflicting and that as a result there is free passage of documents.

Kendal wants to know whether we are going to take this up with the H.O. or whether he should do so. The fact is that we wrote to Maxwell 5 months ago on this question and never got a reply, inspite of representations by D.4. and D.D.S. This is one more instance of the confusion which exists at the ports. It will never be overcome until travel is placed entirely under military control.

The German F.O. in a circular letter to foreign Embassies and Consulates lays down pompous rules about conduct by Germans vis-a-vis enemy aliens in neutral countries. The Germans are to observe "a dignified reserve", firms must dismiss British employees but "reliable Germans" can stay on in British firms as in such cases it can even be of use for German interests if they remain in employment. I think this document may be useful to us in our representations to the H.O. that the employment of Germans in industry, particularly so-called "reliable Germans" is highly dangerous.

Spoke V.V. re German illicit wireless station in Eire. He says the cypher used is diplomatic and unbreakable, according to C. & CS. There is therefore nothing to be gained by allowing the station to continue. V.V. thinks we should communicate the facts to Archer.

Spoke Hordern re the case of CHRISTIANSEN, manager of a firm which has just got secret contracts for £187,000. I said I thought D.D.S. should lay the facts before Burgin or Horace Wilson both from the security angle and on account of the undesirable situation created by Roberts of the

Ministry of Supply being chairman of the company.

I have today put forward my suggestion for the re-grouping of B.Branch on a territorial basis.

D.D.S. seems to think that the H.O. will meet our wishes with regard to the Revision Tribunals. It is proposed to have the 12 chairmen up to the H.O. in order to see whether they fully understand their instructions. In this way it is hoped to get some uniformity. This will all depend on the instructions, which I am told we are to have an opportunity of criticising before they are issued.

FEBRUARY 18th

Jock Whyte has brought me the case of Gula PFEFFER. It seems that this woman was at one time in close touch with a certain of the F.O. whom she, talking to her solicitor, said she had blackmailed. in a written statement says that in 1935 he went to Berlin with the knowledge of his department where he met PFEFFER's relations. These include Capt. Von PFEIFER who I believe to be identical with the notorious Captain PFEIFER of the German S.S. It now transpires that is employed in the C. & C.S. It seems not altogether improbable that he may be the man in the F.O. who has been supplying JAHNKE with S.I.S. reports and Imperial Policy reports. He might also be the person giving the contents of Kennedy's telegrams to Roosevelt.

A letter has been intercepted by the censorship for ~~INTERPRETATION~~ CRINNION in Dublin
 Catalogue Reference KV/4/185

saying that Mr. F. STUART is at present in Holland where he is hob-nobbing with Adolf MAHR and others of the former German Colony in Eire. I have been considering what to do with him when he arrives and have decided that if his passport bears a German stamp he should be thoroughly searched and interrogated. If not, he should be given a normal search without arousing his suspicions.

There is an interesting development in the case of the Oxford Instrument Co. and photo electric bombs. Michael RICHARDSON, who had been taking indiscreetly appears to be a friend of a German refugee named Irene MUNK, who frequents the Randolph Hotel at Oxford and gets into conversation with R.A.F. officers. I am suggesting that she should be interrogated.

The firm of TILLING STEVENS have a secret contract. Two of their employees seem to be suspect. They are Brenden McCAUL and William ASKWITH. McCAUL, who is Irish, may have IRA connections and ASKWITH has been making tracings in a furtive way. B.3. are making enquiries.

According to an S.I.S. report the Bulgarian Air Force is being extended under German direction and with German machines.

A plot is being hatched in Berlin for a rising in favour of Amanullah in Afghanistan. One of the German consuls in Egypt, Heinrich Lepique, who was given a safe conduct out of Egypt has now set up an espionage bureau in Tripoli under the guise of a consulate. He is to cover the southern shores of the Mediterranean.

FEBRUARY 19th

Spoke Herschel Johnson about the case of JAHNKE and the alleged leakage of Kennedy's despatches to Roosevelt. He said that the information could only have come from the German Embassy in London or Washington and that there was no possibility of leakage in the cyphers since all their telegrams were by special cable route and not by wireless. I told him that Cadogan was aware of the facts and he expressed his intention of speaking about the matter on the occasion of his next visit to the F.O.

We have put up the case of one MICHAELIS an enemy alien engaged in the supply of ventilating fans to rearmament factories. In our opinion this man who is an aryan German, should be interned but it is quite evident that the Advisory Committee on their present form would release him. There are others of this type, such as HESSE, and we are asking the H.O. for guidance as to how these people can be dealt with under existing regulations.

Special material: A journalist has told the Swedish Legation that he believes that Britain and France are going to take some important step in the near future. He had that impression from what Gripenberg had said and from other directions.

S.I.S. material: Illegal entry into Palestine is still being fostered thro' Greek agencies by the Gestapo. Abyssinia is still in a state of revolt. Italian attempts at pacification seem to be of doubtful value. Bulgaria has no military alliance with Russia. She has turned it down and Russia in her present state

was glad to have any sort of agreement on purely economic and rather inconclusive lines. A war on the side of Germany seems to be unthinkable in all Italian circles. An incident occurred the other day at Milan where two cartwheels were solemnly sawn through at the axis in front of the German consulate.

FEBRUARY 20th

The Yard are taking action in the case of ABELSON and Sir Curtis LAMPSON who were offering to sell commissions. They have asked the W.O. for an expert witness who will state that the purchase of commissions is not the normal procedure!

D.2. have raised the case of a man called COYLE who has been serving on a tanker. This man is believed to be connected with the I.R.A. and possibly with a previous act of sabotage. The question arises as to who is responsible for seeing that these people are not allowed to serve in the Mercantile Fleet. The Admiralty seem to think that the responsibility is theirs, but that M.I.5. should be deputed to carry it out. We have in the past been informing the Ministry of Shipping about communists employed as seamen but it has never been very clear what the Ministry do with the information when they get it. I therefore arranged for Roger to visit Mr. Norman who says that it is passed on to the Shipowners' Association which has a membership of some 650. Shipowners do not appear to welcome the rather meagre details which they receive, and seem to think that the Govt. should take the responsibility by some kind of action which would prevent these people from signing on. In really hot cases however they would be prepared to take the question up with the Seamen's Union.

I have suggested to Roger that he should see Norman again and explain to him that we will in future indicate more definitely when we feel that a man is really dangerous, but that we still think a useful purpose would be served by passing the names of those we considered to be dubious to the Ministry of Shipping and to the shipowners, since this information would perhaps give them an indication as to where trouble might be expected. There is also another purpose which might be explained to the Shipowners, namely that both communists and members of the I.R.A. are in time of war likely to be used as couriers and that we should much value the shipowners co-operation if they could assist us in keeping an eye on these people, particularly when they change ships, and reporting to us any suspicious cases.

Air Ministry Intelligence shows that the Soviet Air Force has a total of 4,839 machines 2,068 of which are obsolete and the remainder of 2,771, which are fighters and bombers, are obsolescent. The maximum speed of their machines appears to be about 250 m.p.h. Russia relies entirely on foreign designs and unless she can buy large quantities of foreign machines during the next 2 years the whole of her Air Force will be completely obsolete and useless.

Archie Boyle has been made D.A.I. vice Buss.

I had a long talk with Cowgill today on the case of FLETCHER. He has taken full details in order to report to Menzies. I also discussed with him the case of ARNHEIM. He says that there is a good deal of information both at the W.O. and F.O. about French action in the case. As soon as we can get this,

Crauford will go over and see the 2eme bureau on an introduction from Courtney.

We had a board meeting today when travel was the main point of discussion. A very stiff letter has been written to Peake, Chairman of the Committee, stating that so far no consideration has been given to our memo and that we felt that in the interests of security it should be done forthwith in order to establish certain principles before getting down to matters of detail. Peake has written very politely and appreciatively saying that he will see that the matter is dealt with at the next meeting.

Roger saw Leggett today about the question of interning members of the C.P. in certain eventualities. Leggett has the impression that if a few of the leaders were to be put in, the rest would be so scared that we should have no trouble..I am not quite sure that he is altogether right. He looks at it purely from the political angle and not from the sabotage angle. He thinks we should do well to be careful about interning communist trade union leaders such as HORNER and he will very carefully go through our list and give us the benefit of his observations as soon as it has been prepared. He is quite sure that any action we take against the C.P. will have the full backing of the T.U.movement.

Instructions from the H.O. re sabotage have been received. It seems that as a result of our informing the Admiralty of a possible outbreak on 27th Dec.(I think this referred to the I.R.A.) the information reached the police, who began to take action in a somewhat alarmist way. The H.O. ask that in future we send a copy of our information to them and add a note to Defence Depts. that it should not be passed

either directly or indirectly to police, who will if necessary be instructed by the H.O.

FEBRUARY 21st

Special material: Dulanty has been in touch with Maiski about the case of the wife of a certain Stanislaus MARKOVICH. He wanted to know whether this woman was dead and if not whether she was divorced according to Soviet law. He had written to the Consulate but had been told that they did not deal with these matters and that he should apply officially through the British F.O. He explained to Maiski that he did not want to do this as although Eire was in the Commonwealth they did not like to be classed with other Dominions like Canada and Australia. He had therefore established direct contact with the Spanish Embassy and would like to have similar arrangements with the Russian Embassy. Maiski was noncommittal and said that he would look into the question.

Lord Tavistock left Stranraer for Northern Ireland yesterday morning. According to our informant it was his intention to get into touch with the German Legation in Dublin regarding certain peace proposals which he is going to put forward in the name of the British Council for Christian Settlement in Europe. If these proposals are not considered he proposes to start a campaign.

I have asked Archer to let us know if he comes to notice in Eire and after due consideration it has been decided that there is no purpose in having Tavistock searched when he returns. F.O. have been fully informed.

A clerk in the Passport & Permit Office has
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told D.4.a that enemy aliens under 16 and women and males over 50 are to go back to Germany after having been vetted by us, in batches once a fortnight. It is expected that they will all have left within 3 months. This is entirely contrary to the assurance given by Cooper to D.D.S. that all these people will go back together. There are now to be at least 6 or 8 parties. I have spoken to DDS who after consultation with Cooper does not think that anything is to be gained by our raising further objections.

Decided after consultation with CSS and Slade that the Eire Govt. should be officially informed through Maffey about the illicit wireless station near Dublin and that we should simultaneously inform Archer, asking him to let us have full details in due course.

The police have got Sir Curtis LAMPSON with a cheque on him and are instituting proceedings on other counts pending investigations. It appears that they were already gunning for him on another charge. We have provided them with an expert witness who will say that it is not the usual practice to sell commissions.

Dick's lady friend tipped off a likely starter at the Hague to S.I.S. They made a direct approach which seems to have been entirely successful. The man is well placed to give us information about German Naval operations. We seemed rather astonished that nobody had thought of approaching him before.

The Bank of England have been interesting themselves in the distribution of forged Treasury notes abroad which they believe to

have been circulated by Germany. They have instructed their agents abroad to get specimens. So far they have 7 from Paris and one from Basa as well as one obtained in London. These notes are machine made and capable of being produced in large numbers, but are not so good as other forgeries made here in the past. The Bank are ready to publish a warning but do not wish to do so before a large amount of forgeries are known since this would merely be playing the enemy's game. They have a new Treasury note ready for issue.

Special material indicates that Moghadar, the New Persian Ambassador, is pro-German or opposed to Persia throwing in her lot with the Allies, and that he has been sent here by the Shah to get him out of the way. The opposition in Persia which favours Germany or neutrality is said to be gaining ground.

FEBRUARY 22nd

Special material: The Belgian Embassy has informed Brussels that reports are to hand from various sources which indicate that Germany is making great efforts towards the realisation of an understanding between Rome and Moscow. German ministers and diplomats are applying themselves to persuade the Russians that their regime would benefit by a recognition of the affinity of their ideology with the principles of National-Socialism and Fascism. The idea is to align the National-Socialist powers against the Democratic powers.

I had a long talk with Maude today about leakage through the Japanese. A number of E.J.s indicate that such leakage is going on. GEROTHWOHL may be one source, but as a preliminary I have suggested that we might do worse than obtain a very clear picture as to

2, 4
what happens to all the relevant documents in the F.O.

Discussed with Cowgill the case of His enquiries made it even more probable that is at least the F.O. contact who was in touch with JAHNKE. If this is so he has played his cards fairly well by reporting certain facts to his superiors and when they happen. There seems little doubt that he has known Von PFEFFER since 1935. S.I.S. file indicates that he has made two attempts to obtain the release of Gula PFEFFER, one by representing that she is harmless and the other by suggesting that she might be a useful double-cross agent.

I am attending a conference at S.I.S. to consider how we can best proceed.

McLeod A.G.3. has declared open war on the Advisory Committee. Having attended one of their sittings he wrote a letter to Churchill in very outspoken terms. This drew a reply from Birkett and a suggestion that the correspondence should be sent to the H.O. McLeod answered that he did not see that any useful purpose would be served by sending it to H.O., who were not concerned.

Stephens is lunching with McLeod today and will probably hear a good deal more. I have made it clear to him that he should not become a party to this intrigue. McLeod doesn't care what he says and is quite prepared to get the sack and return to his business.

FEBRUARY 23rd

Will Codrington, who was formerly in the F.O. has been brought back to S.I.S. Security Officer in Chief. He is tightening up the machinery

and British Embassies and Legations abroad, particularly in regard to cyphers and confidential documents. From what we know of the present situation he is likely to have a full time job for some considerable time.

There has been a fire at Cossor Valves and at some other firm where Govt. work is going on. Arson is suspected.

Curry has prepared a memo with a view to defining our responsibilities in connection with counter-measures to bacteriological warfare which may be considered advisable. The most that we do here is to collate any information that can be obtained abroad or in the dominions and colonies and deal with suspected persons. We are pointing out that preventive internment of suspected persons is not at present the policy of H.M.G. and there are therefore many potential saboteurs at large. A special committee to deal with this whole question has been formed under the C.I D. with Lord Hankey in the chair. A Professor Hopley is the bacteriological expert.

We learn through Matthews that Sir John Anderson has expressed the view that cases coming from the Advisory Committee recommending release should be very closely examined by the H.O. before action is taken. This would seem to indicate that someone has seen the red light.

I attended a meeting at S.I.S. in order to discuss the case of _____ of the C.&C.S. CSS,V.V.,Cowgill,Denniston,Stopford and myself were present. From Denniston's description of _____ it is obvious that he has a kind of secret service kink. he has never been very content with his ordinary cypher work and has

always been trying to get into something more exciting. He likes to imagine himself as a kind of cloak and dagger man, and is given to relating hair-raising stories about himself which have absolutely no foundation in fact. There was a curious incident at the outbreak of war. Col. Vivian received a letter in a foreign handwriting from a woman. She stated that Mr.

had told her at the time of the 1938 crisis that his life would be in great danger and that if she wanted to know about him she should communicate with Col. Vivian at Room 47, F.O. On this occasion was sent for, confronted with the letter, whereupon he became as white as a sheet and almost hysterical. He wanted to know whether he was going to be sacked. He was told that he had behaved in an extremely indiscreet way by giving Col. Vivian the kind of publicity which he did not in the least desire and if he did anything like that again his services would probably be dispensed with. The letter was then torn up and the incident closed. My impression of from what was said is that he is the kind of fellow who must be in the limelight at all costs, and that if he is the source of the leakage this is more likely to be his motive than money. It was generally agreed that the odds were about 60-40 against him and that very careful enquiries should be made about his habits and associations before any action was taken. There is really nothing to interrogate him on since he has very carefully covered himself in his association both with Gula PFEFFER and with Capt. von PFEFFER. It seems also from an earlier report that he met JAHNKE on at least one occasion. We are going to try and get a look at his banking account though I doubt whether this will disclose anything much.

Had a talk afterwards with C.S.S. He is strongly of opinion that the Germans will make an attack

in the West before very long and he thinks that if we embark on the Finnish venture this will only precipitate a Western offensive. In confirmation of this theory it may be said that the Germans are removing a great deal of their machinery from the Ruhr and that a certain number of women and children have been evacuated.

Van Cutsem of the German Section in M.I. who has been a strong opponent of the theory of an attack in the West, is now somewhat shaken. I gathered from C.S.S. that Archie Boyle's appointment to D.A.I. was very sudden. Buss was only given 24 hours notice. The exact reason is not known although I gather that Buss has been placing the numbers of the German Air Force at a very high figure and that certain circles are not in agreement. C.S.S. thinks Buss is sound though perhaps not very convincing in his general manner.

I am discussing with C.S.S. the question of agents in foreign Legations and Embassies in London. He will be very pleased to help us in any way possible and feels it highly desirable that something should be done to meet the present situation. At the moment we have one rather weak informant in the Jap Embassy and an indirect line on the Swiss which is not very profitable.

FEBRUARY 24th

The H.O. have given us a peremptory order to present the case of ARNHEIM to the Advisory Committee within 10 days. I doubt very much whether this can be done and I have suggested to D.S.S. that he should see Maxwell and explain the extent of our investigations to date.

A curious individual called CONRAD has volunteered information about the case. He is a Frenchman and when pressed through an intermediary to make a statement said that he could only do so in the presence of the French M.A. as he was an officer in the French Army. He came here from Holland and I strongly suspect that he has been making enquiries into the case on behalf of the same bureau who probably suspected our bona fides in view of Hans ARNHEIM's connection with a British officer and with Stephen King-Hall on whose behalf he says he went to Tunis. Crawford is collecting as much information as he can and then is going over to see the French.

The H.O. have decided that if a man misses the tribunal he should be prosecuted if his action is intentional, but if his non-appearance is due to a mistake or to the fact that he was under 16 the H.O. will decide his case. Any cases so dealt with by H.O. are not to come before the Revision Tribunals since these tribunals should have no power to over-rule the decision of the S. of S.

No press cables are to be stopped without reference to the Press & Censorship Bureau.

FEBRUARY 25th

Winchester till 6.30.

FEBRUARY 26th

We have applied for an order to intern Rosa FALKNER, a German domestic servant previously employed by C.S. RICHARDS of Metro Vickers. She returned here after the outbreak of war saying that she had been arrested in Germany as a spy and released through her father's catalogue reference KV/4185e.

She got back via Holland and obtained her exit permit from Germany on the strength of a letter from a Dane in Holland with whom she was going to stay. She then came on here, and finding that Richards had no vacancy for her, she took to prostitution.

The H.O. have decided that PRITT is to be given his exit permit if he wants to go to France to attend the trial of the French Communist Deputies, but that the French are to be warned. This seems to be a departure from the policy of standing on our own bottoms!

I discussed with Roger today what our policy should be vis-a-vis the C.P. in the event of war with Russia. He is going to have a further talk with Leggett in order to get his views about the internment of communist members of Trade Unions and possible repercussions if these people happen to be shop stewards.

D.S.S. does not altogether like Curry's memo defining our responsibilities in defence against bacteriological warfare. Harker is going to have a talk with Elliott of the C.I.D. on Wednesday.

The Admiralty have reported that an I.R.A. station has been transmitting from Drogheda.

Roger is to see Norman of the Ministry of Shipping again and suggest to him that he should get the shipowners federation to co-operate with us regarding doubtful seamen who may be used as couriers.

The Air Ministry have lost 100⁺ copies of our detailed production figures month by month right up to 1942.

We have now got reports in from the police about the Waltham Abbey explosion. They are evidently very shocked at the laxity with which Govt. establishments are run and remarked that there is no point in being interested in sabotage in these factories as they are run in such a way that you have only to wait for them to blow up. We are passing a summarised version of these reports to the Ministry of Supply.

Jebb tells me that one SOKOLIN, the Soviet representative on the League of Nations at Geneva is a non-returner, who is seeking an asylum in this country. I have asked S.I.S. to sound him. We do not want him here unless he has got anything really important to say.

According to a report that I have had from Ned Reid, the son of the Dominican Minister in London has been selling Dominican passports at £100 a time to German Jewish refugees. His father has discovered what is going on and has kicked him out.

FEBRUARY 27th

There was a board meeting today. D.D.S. gave us an account of the Travel Committee. He is trying to get the Committee to agree to a quota of those who are merely travelling for private reasons. A great deal of time is wasted by Stafford, who seems to have the impression that the P. & P.O. is on trial. The real fact is that he has been trying his best to run his department without any policy or guiding rules and has been a butt for the complaints of the public. Everybody realises this and the Travel Committee has been set up for the purpose of formulating a policy. The Committee have apparently agreed on one point, namely, that Irishmen who refuse to

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facilities for coming to the U K.

John Phipps called here today. We are trying to get him disembodied so that he may be taken on here.

I hear that there is a slight lull in production of aircraft here. Archer tells me that this may be due to the change-over from Battles to Blenheims.

Col. Stirling came in to ask about Irish telephone messages. He wanted a line about the I.R.A. I have put him in direct touch with Canning and suggested that in future he should communicate such messages to S.B. direct.

Vickery has reliable information that Ghulam Siddiq has been hatching a plot for a revolt in Afghanistan. It was to start in Uzbekistan but the Soviet raised objections. They have it is believed given way to German pressure. Ghulam will use the name of Amanullah but it seems that he is really out for himself.

S.I.S. have heard from the French 2eme bureau about travel. They suggest that British subjects visiting France on holiday should be subject to the same restrictions as other foreigners, namely, that they cannot proceed more than 5 miles without a sauf conduit. They also undertake to see that those whose passports are limited to France only will not go further. They suggest that we should make similar arrangements over here for French citizens. I do not think we can reciprocate because it will be tantamount to placing French citizens on the same footing as Cat.B. enemy aliens.

I had a talk with B. regarding our internal organisation. I am putting up a memo on the

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FEBRUARY 28th

According to A.M. Intelligence, 294 Soviet aircraft have been brought down in Finland up to the 2nd Feb. 121 were shot down by fighters, 124 by anti-aircraft, 21 by infantry and 28 landed owing to engine trouble.

Our air patrol now extends from the Arctic circle to the Bay of Biscay and from the western coasts of Europe to some hundreds of miles west north west and south-west of Ireland. The visibility on 10-12 days in the month at 1,000 ft. is not more than 3 miles, on 13-16 days 7 miles and on 6-7 days 15 miles for a ship and 4 miles for a periscope.

There is a meeting at the H.O. on Thursday to consider the question of importing agricultural labourers from Southern Ireland.

The following aircraft have been sent to Finland: From France 176, U.S.A. 44, Italy 35, U.K. 144.

Lord TAVISTOCK has returned from Ireland with peace proposals. They are being put into proper form and are to be given a wide-circulation. The F.O. take the view that publication should go on and that the Press should tear it to pieces. The question of seizing the pamphlets was considered but turned down.

SOLF, the German who took a photograph of a wrecked aeroplane with his own camera which he had sold to his girl-friend, has been sentenced to 1 month's imprisonment. The case has had considerable publicity in the press and there is now an outcry for his release.
Catalogue Reference KV/4/185 comes out of prison.

There has been a good deal of criticism latterly in the press and in Parliament about the work of the Tribunals.

Snow, when visiting STEWART, saw on the table a letter addressed to GORDON. STEWART had previously informed him that his "German Antwerp friend" was coming over from Dublin. Enquiry through the S.C.O. shows that this man is Alan Samuel GORDON, connected with a shipping firm in Dublin which runs boats to the continent. An examination of GORDON's passport when he went back showed signs of the removal of the photograph. No action was taken.

FEBRUARY 29th

Axel WENNER-GREN, a wealthy Swede with an estate at Nassau and the largest yacht in the world, has confided in the Governor of the Bahamas that he carried out delicate negotiations between the P.M. and Goering at the outbreak of war. He is now reported to be in Europe and it is said that he is associated with the U.S.A. Govt. in peace efforts. He is said to be in Rome and to be going to Berlin. He is particularly concerned with saving Finland and in this sense may be playing the German game.

The Czechs have given us a magnum opus on the German Intelligence organisation and counter-espionage organisation. Jopson is translating it.

Airy has asked whether if the German Consul at is brought in by contraband control he can be interned. I have sent a reply in the affirmative.

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SNOW's wireless has blown up. We have concocted a telegram to his friends in order that they may not get the impression that he has been raided.

The HOUCHIN courier service has been established. It is for press and commercial use. There is now a suggestion that it should extend its activities to neutral countries. We are saying that we have no objection provided that the couriers are vetted and considered to be thoroughly reliable. It has occurred to me that the service might be of use for our own double-cross purposes. A man who could say that he was an employee of this courier service with a perfect cover for travelling might be able to implant himself successfully on the Germans.

Stopford is investigating the case of one Amadeo SEGUIRE who is connected with a Spanish company which deals with Vickers. A report had reached us that information was leaking to the Germans through this company and through a certain Guiliemo PETRUCCIO who may in fact be identical with SEGUIRE who stays regularly with Sutton of Vickers. Enquiry with the firm shows that Sutton is considered rather untrustworthy.

S.I.S. reports: Stalin is not anxious to fight any great power. He is therefore prepared to give Germany what raw materials he can in order that by prolonging the war she and Gt. Britain may exhaust themselves. He hopes that at the conclusion of hostilities neither ourselves nor Germany will be in a position to attack Russia.