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A .

A.C.E.

665, 671, 673, 677, 684, 691,
702, 704, 707, 709, 712, 714,
715, 717, 718, 729, 734, 755,
759, 776, 785, 792, 819, 821,
843, 869, 875, 881, 904, 919.

van ACKERE &
BRULEY

637

ACWORTH

638, 649

Aliens in Warwork 623

American Embassy 667, 730

American Represen- 680, 731, 747, 764, 767, 774,
tation 779, 780, 797, 798, 807, 816,
846, 860, 890, 891, 909, 913,
924, 927, 942, 950

American Section 677, 684, 706

American Security 681, 686, 706, 728

American Visits 575, 634, 656, 701, 706, 774,
776, 794, 835, 836, 918

ANTRIM, Lord 676, 704

"ARCTIC" 636, 637, 644

ARON 684

Arrests in Colonies 644

B.

BAEBTNROTH

635,636

BARING, E.

662

BARROS

746

BARY, de

670

Belgian Congo

773

BERKELUND

653

BEZIER

809

Black Market

635,651,736

BLIXBERG

916

~~BLIXBERG~~

845

BORREL

660,661

BOSWORTH

913,916

BOSE, Subhas C.

682

BOSVILLE, Mrs.

719

British Tab. Co.

832

Brit. Subs. Arrival

660,669,755,835

Broadcasts to Agents

664

Brock Operation

878

BUENTE, R

678

B. O. F.

840

Catalogue Reference:KV/4/190

THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
IN DEPARTMENT UNDER SECTION
3 (4) OF THE PUBLIC RECORDS
ACT 1958. Oct 26 1960

C.

CAMPINI	719
Canada	862
Careless Talk	912
CARMELO	635
Censorship	635, 650, 651, 676, 702, 756, 838, 855, 859
CHAMAN Lal	755
CLARKE, Dudley	809
CLISSMANN, H.	823
COCKBURN, C.	773, 789
Codfishing ships	743, 751
COIT, R.	790
Comintern	841
Communications	766, 780
COMPERE, H. W. M. S.	700
COSTA, Dr. @ ARMANDO	640, 643.
COURCY, K. de	817, 820, 840, 930.
C. P. G. B.	892, 903 *

D.

Daily Worker	930
DASSEOS	651
DAUBENY, Major	304, 857, 877
Deception	703, 708, 711
DIAMANDOULIS	651
Dieppe Orders, Loss	749
D.N.B. in Cairo	837
D.N.I.	774
D.O.C.E.	655, 656, 661, 663, 666
DONOHUE	875
DORAN	651
DRONKERS	646
Duff	637, 837, 839, 927
Duff-Cooper	785, 816
DUFOUR	660, 661
DYKSTRA	765

E.

ECHLIN, Erland	706
"Eggs"	643
Eire, Leakage via	772, 780
EITSCHUIT	914
Enemy Aliens	360
EPPLER & SANSTEDE	678
ERASMUS Bros	832
ESTELLA	652
EVERSDEN, R.J.	739

F.

Faroes Case	748, 750, 751, 778, 780
FBI-DSC relations	931
FIDRMUC	765
Fifth Column	667, 689, 738, 748, 753, 840
FLEISCHNER	635, 636
FRITSCHEN	680, 690, 724, 744, 790, 813, 822
FUENTE, C. de la	387
F F F	683, 850

G.

G.C & C.S Liaison	776
Gibraltar	697, 710, 885
"Gilleardis"	904
GOUGH	858, 940
GREEN, O.	693
GROBBEN	666
GROOTVELD	765
GUINNESS, Col.	773, 803

H.

HALLER, O.	742
HARRIS, Supt.	672
HARZBERG	869, 876
HERMANT, P.	640
HESS, R.	946
HEWSON	359, 361, 919
HILLSON	932
HINCE	745
HOUSE	945
HUMPHREYS	884, 983, 904
HYDE	775

I.

Iceland	635, 636
India	783, 814
Interavia	750
Irish Priests	686
Irish Seamen	757
ISBA	639
ISOS	904, 914, 925, 934
Italians in Ireland	336
ITURRALDE	663

J

JANOWSKI	932, 936, 937
JOHNSON, H.	823, 839
JORDAN, P.	843, 861
JOYCE	907
JUDE	636, 666

K.

KIMBALL, H. 714, 718, 720, 724, 730
731, 749, 761, 762

KLECZYNSKI 661

KOEBE, C. 313, 940

KURTZ 657

LE.

Leakages 683, 684, 685, 692, 695,
706, 707, 758, 764, 772,
780, 791, 813, 834, 858,
889, 894, 900, 918

LECUBE 652

LEKIHAN 654

LEVI, A 944

LIPKAU, F 756

Lipstick 894, 915

LOSER 877

LUKE, Junior 639

LUNING 886



M.

MAISKY	751
MANEZES	663, 709, 743, 790, 929
MARSCHNER	635
"Max"	646
Met. Reports	668, 871, 944
Misinformation	860
Mobile Units	793
MOREL, P.	875
MULLET	760, 777, 815, 823, 834
Mutt & Jeff	846, 848

N

N. Africa	926
NEGRIN	830
Newfoundland	906
Neutral Mission	708
NICHOLSON, G.	642, 650

O.

O'DWYER	719
OGPU	700
OSTRO	792, 797, 805, 818
Overseas Control	718, 741

P.

Pacific Cottage	799
Pair Fishing Co.	744
Palestine O20	647
Palestine Messages	791, 842
PAN	759, 763, 770
PAP @ DICKINSON	767
Parachutists, Russian	700
Pasha	645, 712, 747, 748, 854, 899
PEPPERMINT	797, 800, 818, 829
PEREZ, E.	922
PHILBY	761 417/6
Pigeons	668, 705, 912
Plan Assassin	688
Plan Nuisance	723

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3 (4) OF THE PUBLIC RECORDS
ACT 1958. *Od-2000*

PLUGGE Capt. 640
Poste Restante 689
Press Section 657, 701, 890, 897, 933

PRICE 635, 636, 649.

RAY 923

REYNNE 716, 771, 790, 803, 812

R/Ws 813, 838, 859, 899, 905,
907, 909

R.

RITTER 634

R.F.S. 742, 745, 766, 923, 939

RSLOs Conference 563

R.S.S. (638, 647, 665, 675,
(697, 704, 723, 803, 810,
(851, 854, 877, 900, 920,
(942, 952

S.

Sabotage and Anti- 630, 692, 724, 917, 926,
927, 937

S. Africa 729, 745

SAINSBURY	361
SANTOS, Doc	376
SCHOMBERG	635
S.C.O. meetings	698, 699, 949
SCOTT-FORD	710, 712, 714, 715, 719, 732, 743, 896, 900
Seamen Agents	676, 677, 678, 681, 713, 720
Seamen's Pools	743
Second front	705, 740, 752, 757, 797, 816, 817, 824, 842, 847, 851
SEMMELBAUER	764
SERAFIMIDES	325, 335
SIMOEZ	677, 708, 743, 790, 935
SOBHY HANA	640, 645, 757
Southampton Spy	641
S.O.E. Liaison	645, 649, 654, 834
SORGE, Dr.	902
STENFORTH, G.	653
STILLWELL	650, 652, 653
SUBIAS BOSE	910
Swinton, Lord	641
Swiss Couriers	313
Swiss Couriers	345

T.

TERPOCOVICH	702
THORN	724, 752
TIMMERMANN	652
TORCH	816 916, 917, 921
Turkish Ambassador	363, 369
Twenty Committee	637, 722, 727

V

VENIERIS	651
V. H. F.	642, 648
VICTOIRE	641, 653

W.

W. Africa	681, 682, 687, 696, 716, 731, 732, 741, 752, 762, 773, 798, 806, 850, 856, 893, 894, 895, 899, 901, 904, 906, 909, 924, 928, 949.
WALENTI	939
W. Board	655, 656, 658, 795

WELTZIEN

896

WESTGARTH

667

WINTNER

690

WITT

636, 641, 651

X.

XX in India

783, 814

AZ

Z.O.R.

773

May 26th

We left Bristol by a de Havilland Fro-bisher at 9.30 a.m. and arrived at Rohanna at 11.30. The plane cruised at about 180 mph. The passage was bumpy until we got over the channel and bumpy again over the Irish coast. My fellow passenger, the only lady in the party, was Commissioner Lamb's daughter who was going out to see her father, who had been reported as dying. (I saw her later at the Chateau Laurier in Ottawa when she told me that he had had a miraculous recovery). There was a Customs officer at Rohanna but he did not seem interested in our baggage and confined himself to putting chalk marks on it. We motored from Rohanna to Adare, where we found that the passengers who should have left 3 days previously had gone halfway across the Atlantic and then returned, apparently owing to bad conditions off Newfoundland. There was a heavy gale blowing and our prospects of getting away did not seem to be very good. People were beginning to wonder whether their trip would last out. Later in the day the weather began to clear a little. I took a walk with other passengers in the grounds of Lord Dunraven's estate. He apparently owns most of the property in the vicinity. It looked as if there were some quite good fishing to be got, and the country is of course characteristically beautiful. I was told that Dunraven was getting out

his coach in order to run a coach service between Foynes and Dublin, owing to petrol shortage. He had advertised for a man to blow a horn but so far had not succeeded in finding one.

The propriess of the hotel, which was quite comfortable, struck me as being a little odd. I rather thought she had a German accent. I heard later in New York that a member of one of the Clipper crews had lost his papers at the hotel and that a maid had been suspected of going through his pockets, but I do not expect there was anything in it. As all the passengers were Government officials it would be quite easy to pick up some interesting information. The passengers consisted of a group of steel experts, a director of B.O.A.C., an American called Winner who was Donovan's link in London with P.W.E., a Mr. Gell who was going out for Korda on propaganda films, a rather unpleasant type I thought. Hutton of the Min. of Food, a Free Frenchman on his way to W. Africa and a number of others whose names I cannot remember completed the party. There were in all about 19.

We left Adare by car for Foynes after 8 p.m. and took off about 10 p.m. The Clipper was an extremely luxurious ship. At its broadest point it was possible for 2 people to lie full length with a passage in between. The interior was very well fitted up with convertible seats which could be turned into bunks. The

plane carried a crew of about 9. The craft weighs 42 tons, has a cruising speed of 135 mph and a maximum speed of 175. It takes off the water at 95 mph. It has four 2,000 h.p. engines, with facilities for carrying out repairs in flight. It can proceed on two engines without losing height. There was a fair wind blowing and clouds were rather low. The first few hours we were flying about 5-600 ft. This was mainly for the purpose of economising in petrol.

Later during the night after we had got rid of a certain amount of our weight in petrol, we climbed to 8,000 ft. where we stayed for the rest of the trip. We were carrying enough petrol to give us 5 hours flying over the normal amount required. In addition to the sleeping compartments, the plane has dining room and kitchen. Breakfast was served in the early hours, orange juice, bacon and eggs, etc. When some distance from Newfoundland we passed over an icefield. The icebergs were clearly visible well below the surface.

May 27th

We landed at about 7.15 American time at Botwood after 14 hours flight. Botwood is more or less in the making and more in the nature of a camp than a town. The weather was misty and there was some slight difficulty in finding our way down through the clouds. We were taken up to a shack where we were given more bacon and eggs. We offered to pay in British money, but

the natives said they could only accept Canadian or American dollars. We pointed out that there would be people going back and forth on this route and that they might do quite a useful business in exchange. They eventually saw the point and took our money. We took off again at about 10.45. The usual form is to taxi out over the course in order to see that there are no obstacles and then after revving up all four engines you skim across the water until the requisite speed of 95 mph is reached. It is I gather sometimes difficult to get away if the water is too smooth on account of the suction.

We arrived at Shediack, Nova Scotia, at 3.50 New York time, picked up some mail, left at 4.30, and arrived in New York opposite La Guardia field at 8.30.

I had some difficulty with my documents as I was not carrying an official pass. I pleaded ignorance of the regulations and was eventually let through. I got to my hotel, the Carlyle on 76th and Madison, at 10.15.

May 28th

I rang up Stephenson's office. Stephenson was away but Pepper came down to the hotel and took me up to 630 5th Avenue, where the S.I.S. and S.O.E. offices are situated on the 35th and 36th floors. I saw Stephenson later in the day and was introduced to Wren and others. I spent

the next few days talking with Wren and looking at various files. Wren has in his section Gavin Young, a Canadian who is more or less new to the game, Ronnie Sinclair, Mrs. Silverston (Sylvanus Vivian's daughter), Mrs. Montagu, the wife of Ewen Montague of N.I.D., and one other lady whose name I forget. Bavin of the R.C.M.P. who has a seat in the down-town office is by way of effecting liaison with the F.B.I. and with the R.C.M.P., but his work seems to be concerned more with security matters than with counter-espionage. It was quite clear to me that Wren was very much in the dark about what we were all trying to do and what we knew about the German Intelligence Services, and that this made his position vis-a-vis the F.B.I. very difficult. He got questions of one kind or another from home but he was rarely told what was behind them.

May 31st

I went down to Long Island where I saw Margaret Barry, who is looking after 19 English children in a typical old-time Long Island house with wonderful gardens and grounds. I met there two British naval officers, one who had been on the Prince of Wales when she was sunk and had afterwards got away from Singapore. He now was waiting for a ship. The real trouble I gather in regard to the P.O.W. was no fighter protection and lack of cooperation between Navy and AirForce.

The Japs torpedo-bombers were extremely good. They came right down low and fired their torpedoes at a distance of 1,000-500 yards. It was impossible to say how many were over the ship but in all something like 40 or 50. In the first attack the shaft was bent. This resulted in the works being thoroughly churned up inside and a heavy list. Before she sank she had 19 torpedoes in her. The officer did not think there was anything to complain of in the construction. What they were really up against was lack of fighter defence and the very great efficiency of the bombing. He gave a frightful account of Singapore and the behaviour of the Australians. The English and Scottish regiments fought magnificently but the Australians just packed up. There were many deserters in large numbers from the rank of Captain downwards and they fought their way on to any ships they could find. Some of them are said to have been shot in Java for cowardice.

The other N.O. was trying to give some assistance to the Naval authorities on the question of anti-submarine warfare. The sinkings in the Caribbean have been appalling. He said that he had given all the necessary advice two years before and had warned the Americans about the Caribbean. They had regarded such a thing as impossible and had taken no precautions. They had however had the generosity to say that they wished they had taken a record of what he had said 2 years ago,

since everything he had predicted had more or less come to pass.

June 2nd

I visited the down-town office. Connop Guthrie, who is more or less head of this office, was away. Nelson, his second in command, was in charge. Nelson is an extremely likeable fellow but strikes one as being somewhat of an intellectual. He belongs to the publishing family, but has for some years been running a farm in Wyoming. He gave me the general lay-out of the office. Bates is in charge of the Consular Security officers in U.S.A. and Karri-Davies of those in S.America. Formerly the office had had a good deal to do with the security of armaments being manufactured by the British while they were in transit to the port of embarkation. This work had now been transferred to the American authorities and the personnel had been transferred to Washington where they were doing work for the Australian Purchasing Commission. There had also been a Fire Protection Squad who had been engaged in looking after goods awaiting shipment. This squad had also been disbanded and the work handed over to the F.B.I. Liaison with the F.B.I., the State Police and the R.C.M.P. were in the hands of Bavin. I had a talk with Karri-Davies. He was very keen to get any material from us on the question of sabotage particularly material which he could transmit to consular security officers. He said

that anything we could tell them about German methods would be invaluable. He

had seen the X-ray photographs and diagrams of infernal machines.

Communist activities are handled by J.P. Evans, although it would seem that this should be an appropriate job under Wren who would pass the information to Section V. and so to ourselves. The subject has up to now been handled by the Security Division probably on account of labour disturbances, which affected the production and transit of armaments after manufacture for the U.K. Evans struck me as being intelligent and conscientious. He is making quite a study of the subject and getting hold of some quite useful material both through his liaison with the Americans and Canadians, through Censorship and through the Press. He clearly needed guidance and I did my best to impress upon him that information which illustrated the control and police of the Comintern was of greater interest than strike disturbances due solely to economic causes. We were particularly interested in directives from Moscow, methods of communication, funds, etc. since America was one of the few places where data was available for comparison with that received at home.

He showed me some correspondence between Marcel PIVERT in S. American or Mexico, and Fenner BROCKWAY and John McNEIL of Glasgow. These letters had been obtained

in Censorship and Evans wondered whether we had seen them. He also showed me a general report on communism in America which was sent in last March. I do not know if we have had it.

Babette GROSS, Willi MUNZENBERG's mistress, is apparently now in Mexico and a certain amount of her correspondence has been intercepted. Other correspondence which Evans thought would interest us was that passing between Apartado 8620, Mexico, which I gather is the Central Catalan Syndicate, to one Carlos PI-SUNYER, 22 Wendover Court, Finchley Rd. N. W. 2.

If Evans wishes to make enquiries in S. America he passes them through Section 3 of the up-town office. For matters in N. America he relies upon his liaison with the F.B.I. and others. He had been much interested in the report on the Shop Stewards Movement in this country, a copy of which he had given to the F.B.I. who were also deeply impressed. He said it would be of great assistance to him to receive any memoranda of this kind or any reports on communist activities here with which he could bargain with his opposite numbers. Even if the reports cannot be passed on, he would be very glad to have them himself as they would assist him considerably in his work. As regards Communist literature I said that we should be glad to receive any papers or periodicals which contained

articles denoting some new feature of the movement, and that we should be grateful if he would, when forwarding them, arrange that they be suitably marked. He undertook to let us have any information about the formation of any new communist or pseudo-communist organisation.

Down-town is responsible for the vetting of personnel employed by the Purchasing Commission and other British Missions and also for the vetting of the personnel of allied forces recruited in the Western Hemisphere.

I had a talk with Madement, R.S.S. representative at the up-town office. He told me that there had recently been a conference known as the Wilkinson Conference at which certain vague principles had been laid down on the subject of monitoring and cryptography. Monitoring must be done by the Federal Communications Committee, Army and Navy, including Coastguards, cryptography there only being done by the Army, Navy and F.B.I. No very definite decision was arrived at about distribution except that all decyphered material was to go to the State Dept. In the matter of cryptography there is a complete barrier between the services and the F.B.I. The Personnel employed by the F.B.I. is not of a very high grade and they have no experience. They are however trying to build up a huge organisation. The Navy refuse to

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THE PUBLIC RECORDS
ACT 1958. *Oct 2000*

585

give them the benefit of any of their experience. They are therefore trying to crack up the Jap cypher, which is already dealt with by the Navy. Our policy in the past has been to keep in touch with all organisations on the understanding that we do not pass anything from one to the other. The F.B.I. are apparently setting up some organisation on the Pacific coast both for monitoring and de-cyphering. No diplomatic traffic is apparently sent to Security Co-Ordination from England. Stephenson it is believed got a certain amount of Jap B.J.s from the Americans. Madement said that as far as he knew there was no illicit traffic from the Argentine to Europe but there was of course cable communication which was used freely by the Germans. He thought that there was a cable which formerly ran to Gib and then to N. Africa but that it had been cut at Gib. Unfortunately S.I.S. were extremely weak in the Argentine. Up to a week or so ago they had no one. It was obviously highly desirable that somebody should be got into the postoffice at B.A. in order to collect all diplomatic cables to Europe, particularly since it is the policy of the F.B.I. to get S.American states to close down all illicit wireless.

June 3rd

I went to Washington on the night train, and saw Tamm, who is Hoover's second in command. I was accompanied by

who is the liaison man

546

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UNDER SECTION 3(4) OF
THE PUBLIC RECORDS
ACT 1958. Oct 2000

with the F.B.I. in Washington. was
formerly in Passport Control New York and
has long experience of America. I
talked mainly generalities with Tamm.
He sits in an enormous room with an
enormous desk in front of him and is
surrounded by telephones, microphones etc.
A large map of America on the wall is
covered with pins and bits of cotton which
are by way of demonstrating the ac-
tivities of the F.B.I. The Americans seem
to have a mania for diagrams, many of
which I fear are quite meaningless if
not misleading. I was shown a map of
the United States. Superimposed on this
were two talc covers. On one of the
covers the area where enemy aliens were
concentrated were painted in colour, and
on the other the big industrial centres.
It was thought remarkable that the alien
population should correspond almost
exactly with the industrial centres.
I was told that the Chiefs of Staff had
been much impressed. Personally I was
unable to understand why any significance
should be attached to the identity of
location. I came to the conclusion that
all this vast mise-en-scene was not
designed so much to impress the visitor
as to impress the gentleman who occupied
the room of his own importance. He might
perhaps lack confidence without all these
stimulants. He told me about all his
difficulties in dealing with the intern-
ment question etc. The numbers of enemy
aliens interned were on the whole small.
I think only roughly between 2 and 3,000

Germans, a similar number of Italians and perhaps 4,000 Japs. The Japs have been pushed back from the Pacific Coast and are to some extent being employed on land work in large camps. They are able therefore to move about within limits. There is nothing in the way of legislation equivalent to our 12(5a) of the Aliens Order or 13b of the D.R. The only way of getting an American citizen of German origin interned is to proceed by de-naturalisation. This is extremely cumbersome and only successful if concrete evidence could be obtained. "ithout any prompting Tamm said that he had been amazed that there had been no act of sabotage committed in the UNITED STATES which could be definitely traced to enemy agency, and that all the cases of espionage which had come to their notice had been of an extremely crude variety. So crude were they that he wondered very much whether they had not been faked to pull the wool over the eyes of the F.B.I. I told him that our experience had been very similar and that the same doubts had arisen in our minds. We were however fairly satisfied that the Germans had not got an extensive organisation in the U.K. and that such cases as had come to our notice were genuine cases. The German machine was well conceived and well planned but it seemed, to vary very much in efficiency when it came to action.

I went on to see Carson, a young and very keen officer who is responsible for espionage activities in S. America. He told

me that ENGELS was under interrogation and that NIKOLAUS, who was undoubtedly "Max" of Mexico City, had recently been deported to the U.S.A. A difficulty had arisen about deportees from S.America. The State Dept. had given an undertaking to the S.American states to send them back to Europe in exchange for the nationals of the countries from which they came. The F.B.I. were anxious to hold all those who were connected with the German Intelligence Service, and were in conflict with the State Dept. about this matter. They hope that we should be able to do something through the British Embassy to strengthen their hands. The Spanish Consul General in the U.S. was under grave suspicion. Information had been received that he was using the diplomatic bag for improper purposes and recently he had had his bag opened under his own eyes. Unfortunately nothing was found. The incident however passed off without protest. The F.B.I. are very perturbed about the sinkings in the Caribbean. They say there is no doubt that the Germans have extremely accurate information about the movement of ships. They wonder how this information is conveyed to submarines, which seem to know in the greatest detail the name of ship, captain, and all about the cargo. I imagine they get this information wirelessly back and it then goes out to the submarines by ZPT but I could not of course tell the Americans about this.

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589
June 4th

I saw Ladd of the F.B.I. and was again accompanied by Ladd is a Middle Westerner and a sticky personality. He is virtually in charge of all the practical side of espionage activities. I handed over to him details of a number of cases which we had had in the U.K., also data about secret ink and certain codes. He seemed pleased with this information, but it soon transpired that he had a strong suspicion that we had been holding up on him in the past, and he mentioned the incident of the bombing of Tokyo. We had made a suggestion that the Mosquera transmitter should be used for intimating to the Germans that Tokyo would be bombed. The idea was to try and draw off planes and aircraft carriers from Burma and the Indian Ocean. By a pure coincidence Tokyo was bombed three days later. Ladd wondered first of all how we knew about this, whether there had been any leakage, and was disinclined to believe us when we said we had no prior knowledge of the matter. He then asked why, if this information was false, we had indicated that we would prefer that it went over from the Mosquera transmitter rather than the one used by Tricycle. We explained that Tricycle was at the moment in rather a delicate position. Ladd was not very inclined to accept this information particularly as we had told him that we only put across information that was true. In this case we had no knowledge

of the fact that the information was true. He thought therefore that we were trying to pass off a piece of dud information on Mosquera which would have jeopardised his position. We pointed out that the message was so worded as to leave Mosquera plenty of loopholes, since it had not been worded in definite terms. Ladd then went on to complain that he was asked to make enquiries without being told the reason. I entirely agreed with him that this was undesirable and that in future we should do our best to give him the fullest possible background. I explained to him that we did not wish to pry into American affairs but that we were anxious to exchange information on the broadest possible basis particularly with regard to the procedure of German agents and data relating to German intelligence organisations and personnel. Ladd told me that as far as he knew no duff was going from the U.S. He also said that he had had no cases of espionage by Italians. The case of Tricycle was discussed. Ladd complained that he had not yet received Balloon's traffic which had been promised. I said that it was on its way and that we should keep him fully informed in future. We in return should be interested to see the Mosquera traffic. I referred to the case of KELLER and STAHLDER, the two individuals who had come from Gib. with plans and photographs and had been arrested in the U.S. asked whether we might be given facilities

for interviewing these men. Ladd promised to do what he could.

I then went to see Kramer and Kimbell, two of Ladd's subordinates. Kramer told me afterwards that he was of pure German descent and that his grandfather was in the Kaiser's bodyguard. There is no doubt however that he is 100% American in sympathy. I explained to them both the workings of the Twenty Committee and the XX agent system. They were enthusiastic, particularly Kimbell who was very quick to see all the implications, and the necessity for getting the co-operation of the Service Depts. They intended to put the idea to higher authority. They said that a careful search of NIKOLAUS's belongings had revealed micro-films contained in the toe of his boot. These films were of the latest American submarine escape device. NIKOLAUS did not know at the moment that this had been found. The F.B.I. were particularly pleased as they thought it would strengthen their hand in dealing with the State Dept. in the matter of the detention of enemy aliens from S. America who had been connected with the German intelligence system.

I lunched with Asst. Commissioner Bruce who is the R.C.M.P. liaison officer with the F.B.I. I asked him to tell me quite frankly what the F.B.I. thought about us.

He said "If you really want to know, they think you are too cagey and that you are hdding up on them". I told him that I thought that in many ways they were quite right and one of my preoccupations would be to get things loosened up. He said that he wholly trusted the F.B.I. and that they had always given Commissione Wood the fullest co-operation. I gather that Bruce is allowed to see the F.B.I. files. I asked him how the suggestion that we also should have a representative in the F.B.I. would be likely to be received. He said that it was difficult to say but that he thought such a suggestion might quite possibly be acceptable. He emphasised that the F.B.I. particularly disliked being asked to make enquiries without being given full facts. Bruce was very anxious that I should treat what he had told me as strictly confidential and that I should make no use of his name.

In the afternoon I rang up John Maude. I subsequently went out to see him at the Embassy. He told me the whole story of his career in America. He seemed to think that he had been badly treated and he had quite made up his mind to come back to England. Stratton had suggested to him that he might like to take over the D.S.O.'s job in British Honudras, but he was evidently sick of the whole business and anxious to get back. He said that anybody could do the job of looking after the security of

Missions and that he could not go on drawing a large salary for what really was a very small job. Personally I think that he has had rather a raw deal. He fell foul of Ingram Fraser, which is not surprising, and somehow incurred the displeasure of Stephenson, and therefore never had a chance of dealing with enquiries which affected our office. I do not think he got on very well with Stratton or with Dick Ellis, who are departmentally quite different people. John seemed to think that he went down very well with the Americans and that he had done a good job as far as he had been allowed. Other people however seem to regard him rather as superficial and rather a joke. He is going back without any stink but is I think clearly a disappointed man.

and I dined with Carson of the F.B.I. We had a long discussion about our work and methods. Carson was very understanding and very keen to learn. He would very much like to pay us a visit.

June 5th

I went with Humboldt of the Embassy to see Breckenridge Long of the State Dept. Long is in charge of the negotiations with the S. American states about their enemy alien deportees. Long explained to me that the State Dept. were much concerned about the activities of enemy agents in S. America and that they had

therefore sent a representative to the principle states whose business it had been to select the most prominent enemy agents and make a request to the government concerned for their deportation. In this way several hundred had been deported and the U.S. Govt. had given an undertaking that they would be sent on to Europe. It appeared that they had done this without any prior consultation with ourselves. We, on hearing of the matter, had requested that those who were undesirables should be detained. The U.S. were in a difficulty because they had already given an undertaking to the S. American states that these people would be allowed to go free and that subjects of the S. American states concerned would be sent back from Germany in exchange. The State Dept. did not wish to break faith. I explained to Long that while it might be a good thing to get as many enemy agents out of S. America as possible, it was questionable whether it was altogether in American interests that they should all be allowed to return to their own country. It was clear that they would be used against us and that since America was now coming into the field they would also doubtless operate against the U.S.A. Long said that he appreciated this point and that an attempt would be made to get the S. American states concerned to allow the U.S.A. to retain a few of the more undesirable enemy agents. He mentioned that a decision had already been taken to hold

NIKOLAUS and that the case had been considerably strengthened by evidence recently obtained. He was obviously referring to the submarine photographs. Tony Rumbold is one of the bright sparks of the Embassy and has been very helpful to Walter Bell. Nobody seems to think very much of the remainder of the Embassy staff except perhaps of John Foster who I believe has been quite a success.

I lunched with Bill Donovan and Barty Bouverie. I gave Donovan a general view of our experiences here. He told me that he now had a mandate from the Chiefs of Staff to start up an organisation covering the activities of U.I.S., S.O.E., P.W.E. and ourselves in Europe, Middle East and Far East. He wanted to know whether in his outstations he should make one person head of all 4 organisations or whether they should communicate separately to headquarters in Washington. I said that from our experience I was quite certain that he ought to place the four departments under one head, otherwise they would undoubtedly get across each other's tracks and the work of one might well be damaging to the others. This had been our experience, but it seems impossible under present circumstances to get any change. If he had the opportunity of building from the bottom he would be well advised to consolidate his organisations in the outstations. Donovan is a very likeable personality. He was

apparently a great figure in the last war, when he got the equivalent of the V.C. as commander of a battalion on the western front. I am told that his great trouble is that he has no first class Chief of Staff to keep him on the proper organisational rails. He is full of ideas but bad at organisation.

I went back to New York on the 4 o'clock train and dined with Herbert at the Plaza. He told me that he was still struggling to get the S.American mails brought up for censorship to Trinidad or Bermuda. It had however been agreed provisionally that they should at any rate go to San Juan in Costa Rica where they would be examined by American censorship with representatives of our censorship alongside. This was not wholly satisfactory but it was better than nothing and certainly closes the existing gap. He had apparently had a very successful meeting with the combined Chiefs of Staff to whom he had shown several duffs indicating leakage of information about the movements of American warships in the Canal Zone. They were all very intrigued and they clearly saw the urgency for getting something done. Herbert certainly is very good at putting over his points.

June 6th

I heard in the office that there was

evidence, obtained in Trinidad, that the Italians were using the Spanish diplomatic bag for communication with S. America.

I lunched with Ingram Fraser. He does not appear to have any clearly defined job in the office and I cannot find anyone who has a really good word for him. He was I believe at one time employed in S.O.E. and it is probable therefore that from that organisation he drifted into Security Co-Ordination. He and Pepper seem to be running a certain number of agents whom they employed before America came into the war. An undertaking was given some time ago by Stephenson to Hoover that he would no longer employ agents in his area. These agents were therefore handed over to Donovan. Donovan has however asked Frazer and Pepper to continue to run them and let him have the information. They are certain to be found out before very long and the damage will be considerable, since Hoover hates Donovan's guts. I was told that Frazer had been running a mistress in Washington who was supposed to be acting as an agent on the Finns. She was getting \$500 a month for her flat and another \$500 for her services, all paid out of office funds. Stephenson heard about this and had it stopped. Another unsavoury incident was when Frazer and Pepper bought sterling on the Black Market which they spent on their visit to this country. On return they claimed their expenses at the full rates.

I dined with Guthrie and Stratton. Guthrie strikes me as being something of a bluffer but energetic and probably up to a point energetic. He is certainly a go-getter. I am certain however that his first consideration is the aggrandisement of Guthrie and possibly a peerage. We discussed his recent visit with Stratton to Newfoundland and Canada on the question of security. They said that in both places security in so far as ports were concerned is practically non-existent. They complained rather bitterly about Wood. They had eventually succeeded in getting a ruling from the Cabinet in Ottawa that the port security organisation should be set up under the R.C.M.P. with military and naval personnel. We were to send out two or three people to train the various sections. There are also to be security points along the frontier and at the airports. Stratton seemed to think that 200 men would be sufficient but in conversations that I had subsequently with Wood he seemed to think that the job could not possibly be done efficiently with less than 300 men. Stratton is clearly a great supporter of Guthrie and would like to see him as a successor to Swinton. I should say that Guthrie was somewhat similar in type to Swinton but not so able. He is certainly ambitious and unscrupulous.

June 7th

I wrote to the D.G. and to Dick giving them my first impressions about relations with the F.B.I. and urging that we should be as free and frank in our exchange of information as possible.

In the afternoon I saw Tibbett who works with Le Forgeais of the downtown office in vetting personnel of allied services recruited in the western hemisphere. I gave Tibbett Theo's memo on the white card system, asked him to consider it and discuss it with me on my return from Canada. I left by the night train, with Wren, for Ottawa.

June 8th

and I called on Col. Murray who is G.S.O.I to the Canadian D.M.I., in order to discuss Springbok's traffic. It had been suggested that both he and Tricycle should put over certain figures about the training of aircraft personnel which had been mentioned at the inter-allied conference at Ottawa. These figures had been approved by the J.I.C. in Washington, the Air Ministry in London, and the Americans, but apparently the Canadian officer who had just taken over Air Intelligence and was quite unacquainted with XX procedure, was extremely apprehensive and shocked at the idea of supplying the enemy with such important information. I pointed out that although the information the information was

interesting I thought it would be more likely to depress the enemy than anything else. The training figures for the past year were 18,500 and the future prospects were even better. Col. Murray entirely agreed but he was rather afraid that if

the matter were referred to the Chief of Staff there would certainly be delay and possibly obstructions. He would be quite ready to carry the responsibility on his level if he could get the Air representative to agree. He would try and think out some plan of action.

I went to see Commissioner Wood at the R.C.M.P. headquarters. He said that I had arrived at a very appropriate moment since he and the Dept. of Justice had been having a great deal of trouble from the Parliamentary Committee which controls the Advisory Committee on the internment of Canadian citizens and aliens. The Parliamentary Committee consists of representatives of all parties including two hot Left Wingers. The R.C.M.P. have interned quite a number of communists under 21A of their D.R. (the equivalent of our 15B) and the Left Wingers have been trying for some time to ascertain the identity of R.C.M.P. informants.

They have therefore proposed that all informants should appear before the Advisory Committee. The Parliamentary Committee, hearing that Birkett was in Canada speaking to the Law Association got hold of him and asked him to address the Parliamentary Committee and the

Advisory Committee on procedure in England Birkett gave them a most indiscreet lecture, mentioning his differences of opinion with the Home Secretary in England and stating that he had successfully insisted on the production of informants. The effect of this was a renewed assault and violent attacks on the R.C.M.P. Wood wanted to know whether Birkett's remarks were true. I said that to the best of my recollection we had refused to produce the informants, since having done so in one case our informant had been blown sky high. I thought that there was a distinction between an officer of the department who gave evidence and an agent. I knew that we had allowed officers of the department to give evidence and that when they had they had been cross-examined like pickpockets, much to our annoyance, but I thought we had strongly resisted the production of any agents. Wood had telegraphed home but had got a rather ambiguous reply. I therefore arranged to send home by Barty Bouverie who was leaving in the course of the next two days for England, a copy of Birkett's lecture with a note to the D.G. asking him to get Pilcher to wire out the full facts to Wood. I told Wood that Birkett had been a thorn in our side since the beginning of the war and had I known he was coming to Canada I would certainly have given him a warning. Wood got in a representative of the department of Justice who was apparently responsible for

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ACT 1958. Oct 2000

handling internment policy. He was quite convinced that the attack on the R.C.M.P. had been purely a political one by the Left Wing., to ascertain the identity of communist informers. Wood was I think a little perturbed by the visit of Gutarie and Stratton. He evidently thought that neither of them had much idea of the port security problem in Canada. Stratton had suggested that 200 men would fulfil all requirements. Wood was quite certain that at least 800 would be needed. He said that since the beginning of the war he had had a great many things put on his plate and that many of his officers had been diverted for purposes such as enforcing currency restrictions etc. It was therefore quite impossible for him to provide the personnel. He was looking to the Army to do this but he had insisted that he should be given picked men and not conscripts.

June 9th

I went with _____ by the night train to Toronto. Springbok came to our hotel and we had a long conversation with him about his position. He had made various attempts to establish contact with the south, but these had not been entirely successful. He had however carried on a considerable correspondence in code with Sao Paulo. He was also trying to get into touch with B.A. by letter in order to acquaint Berlin of

his position. I had a long discussion with him about the Abwehr training he had had. He had been 3 months with Abteilung II and 8 months with Ab.III. A number of interesting facts emerged which I subsequently recorded in the form of a report. Perhaps the most interesting facts related to Frank RYAN who had been working with von BRANDENSTEIN in Ab.II. RYAN was apparently assisting the formation of a Casement Brigade. Springbok did not know his name but he did know that he had taken part in the Spanish Civil War and had been interned by the Falangists and was subsequently released at the request of the Germans. In Ab.III Springbok had served under Major Lieber, who had frequently visited this country before the war, staying at a boarding house in Southampton. He had generally been accompanied by a Miss SCHRAEDER. At the time of Munich he was going round the I.O.W. in a pleasure boat. He noted the movements of British ships and reported them to Berlin. He had also been responsible for the recruiting of a Scot who had been in communication with Berlin prior to the war by W/T. Springbok thought that the Scot was a Scottish Nationalist. It is just possible that he may be confusing this man with Snow, but I rather doubt it, since Snow did not communicate as far as we know before the war, nor was Berlin his control station. Springbok had received instruction in secret inks, microphotography etc. He had seen the duff machine, and has given us a drawing and description of its working.

Springbok is a mine of information and one could probably go on talking to him for a month and still obtain from him further facts. The one confusing point in his story is his statement that Ab.III was not concerned with counter-espionage. He bases this solely on his own experience and the instructions he received when working for III Luft. He said that he was told to report on sites for aerodromes and on existing aerodromes and that he received special instructions that if he obtained any counter-espionage information he was to report back but not to investigate. There is probably some explanation though what it is I cannot imagine.

I spent the evening with Drew Brook, who is Wren's representative in Canada. He is more or less in charge of Springbok. I was very impressed by his keenness. He is certainly out to do everything he possibly can to help and is taking immense trouble to provide Springbok with the necessary business cover.

I returned to Ottawa on the night train.

June 10th

I saw Wood again. He told me that he had had no case of sabotage and no case of espionage since the beginning of the war. He was amazed but not complacent. He realised that he had an enormous area to cover and that he was under-

staffed and that his force was not very well equipped for counter-espionage work. I suggested to him that his best insurance against penetration would be the establishment of 4 or 5 first-class XX agents, and that he should regard Springbok as a beginning. He seemed pleased with the idea but I doubt whether he has much notion of how to set about the problem. His subordinates whom I saw are Asst. Commissioner Tate, an oldish man who is just about to retire, and Drysdale, also oldish and over-worked. Neither of them seemed to welcome the idea of any direct assistance from an officer of the Security Service. Wood however was quite open-minded. He felt however that anybody going out would very shortly be out of date. I suggested that it might be more profitable to have someone in New York who could pay him constant visits. I rather think that Tate and Drysdale have been somewhat upset by the visit of Guthrie and Stratton who must have given the impression that they do not think very much of the R.C.M.P. This is apparently the view of the services but I think it is somewhat exaggerated. The R.C.M.P. are very well equipped to deal with Communism but not very well equipped to deal with counter-espionage. They are essentially a police force employing police methods. There is not a great deal of imagination and there seems to be little inclination to take the offensive. They give me the impression of using

their pre-war machinery of informants notes and reports and hope that their existing network will throw up any spies who happen to be around. It may well be therefore that they are more penetrated than they imagine. They have a large enemy alien population very few of whom have been interned. At the outbreak of war they only interned 23 Japs. They have since taken in about 100. They only have a few hundred Germans and Italian under lock and key. I discussed the question of the Portuguese ship which had called at Halifax in Newfoundland, "Alvarel Martens Homen", the master of which is Carlo Maria Tomaz TEXIERA. It had been reported from home that this ship had already deposited two wireless sets in Newfoundland and was in the guise of a vessel controlling a fishing fleet, but actually reporting on the movements of our shipping. The boat had been examined at Halifax and found to contain a fairly powerful wireless set, it had subsequently proceeded to Newfoundland where the crew had been allowed to land. There was however no force there which could keep track of their movements. I asked about the Spaniards. I was told that there was a consulate general in Montreal with a right to communicate in cypher with Madrid and Washington and also to send despatches by bag. There was also a consulate in Vancouver which was looking after the interests of the Japs and which had a fully-fledged Japanese Asst. The Consul in Montreal was a man called

SCHWARZ who comes from a Rhennish family which fought for Napoleon in Spain. The Vice-consul is one ITURRADDE. He may be a relation of the man here who is suspect. The Montreal one is a member of the Falange. In Montreal there is also a Jap Asst. who is a dual national. I ascertained later that Serrano Suner's son is also employed at Montreal and that the Spanish Consul at Panama, Bernard, was to be reinforced by a new Spanish arrival from Madrid.

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R.C.M.P. are very nervous lest anything should go wrong and they be accused by External Affairs of causing a diplomatic rupture. I asked them whether it would do any good if I spoke to External Affairs and impressed them with the dangers of the situation, since we knew perfectly well at home that all the Spanish Consuls were acting for the Germans and that any information which reached Madrid was handed over immediately to the Germans and Japanese. Tate and Drysdale both thought that this would be a good plan.

I saw Stratton and Strachey in their little house on the outskirts of Ottawa. Strachey I gather is coming home shortly. I told them both about Springbok, whose traffic they are trying to monitor and

6046

also about the Abwehr station at Stahnsdorf where Springbok was trained. Stratton was interested to learn that Dublin was included in the Abwehr network.

June 11th

I saw Murray again. He was very worried about the R.C.M.P. whom he considered to be dilatory in their methods and lacking in energy. I think however that a good deal of his apprehension is similar to that which we experienced here from the military in the early days of the war. I do not think the R.C.M.P. are as bad as he paints them, although their methods may be orthodox and old-fashioned. I explained to him the Spanish situation and told him that I was proposing to see External Affairs. He thought this was a good idea. He told me that in the meantime he had been able to get approval from the Cabinet of External Affairs authorising Springbok's traffic. The Chiefs of Staff had delegated to him and his Naval and Air colleagues the necessary powers for approving any messages submitted.

I talked to Captain Brand and Little of the Canadian N.I.D. about TEXEIRA. It seemed to me that if this man was doing any harm he would be communicating either with submarines or with Germany. What steps could the Navy take to monitor his traffic? Did they know whether he sends any signals at all? Little confessed that they had no notion, and that

it might be difficult to pick up. The best he could do would be to detail two or three V.I.s in Newfoundland, but he did not think they would be able to do any very effective work. The difficulty about dealing with TEXEIRA was that London had deprecated any drastic action on account on account of refuelling services which the British Navy got in the Cape Verde Islands. This thre a very different light on the whole position.

As I was going out of the Navy building I passed Mountbatten who was under a battery of press cameras. I lunched with Wood and Anderson of the Dept. of Justice at the R.C.M.P. training centre. Afterwards we were shown all over the buildings and were given a display by the police dogs. After lunch I saw Stone of External Affairs and talked to him a good deal about the Spanish situation, and he arranged for me to see Robertson, the Under Secretary of State on the following day.

June 12th

I had a further talk with Drysdale of the R.C.M.P. and I told him what I had arranged with the Navy Dept. about TEXEIRA. He said that the R.C.M.P. had not taken more drastic action at "alifax because since the venue of TEXEIRA's activities appear to be Newfoundland he thought the best chance was to give him a run there even though the Newfoundland Police were somewhat inadequate. This seemed fairly sensible to me.

He had not been acquainted by the Navy Dept. with the fact that London did not wish any drastic action against TEXEIRA on account of refuelling at Cape Verde by British forces which might be stopped if the Portuguese boats were interfered with. There is obviously very little co-operation between the Services and the R.C.M.P.

Drysdale mentioned one Adolf Edward Erick LINDER, Norwegian or Swede. This man has been mixing with Air Force office in Toronto and is generally considered to be undesirable. In 1934 he is said to have been in England. The R.C.M.P. asked me to let them know whether we have any trace of him.

Drysdale told me that Mrs. KRIVITSKY had left Canada some time ago and was now in the U.S.A. As far as he knew she was not in financial difficulties.

I had a long talk with Robertson of External Affairs when he told me that the policy as regards Japanese was to evacuate them as far as possible from the Pacific Coast. This included Canadian citizens of Japanese origin. I gave him all the information I could about the Spanish situation and impressed upon him its importance. He said that he would speak to the Commissioner and I hope that this may result in an intensification of the enquiries that are already on foot.

Robertson I should think is able though rather the F.O. type, who would do anything rather than risk any diplomatic unpleasantness. I had a final word with Wood and also with Asst. Commissioner Bruce who had come up from Washington. I told Wood again that I was certain that his best insurance against penetration was a development of the XX system and that he might well get the F.B.I. to collaborate with him in this matter. Possibly they could find a few suitable people whom they could introduce into the Germans network and send up to Canada. Bruce is going to talk to them about this. I returned to New York by the night train.

June 13th

I lunched with --- and Hamish Mitchell, the S.I.S. man who is working in conjunction with the Censorship at Bermuda. Mitchell is a tremendous enthusiast and a confirmed believer in amalgamation of S.I.S. and the Security Service, with dual representation throughout the Caribbean. He says the present system is ridiculous and wastes time and energy. He was full of ~~plans~~ complaints about London and its lack of understanding. He struck me as being a very live wire. He obviously did not think very much of Piggott. He liked him personally, but fully realised that Piggott was not much of an Intelligence Officer. The real problem both in Bermuda and Trinidad is the transit

Oct 2000

612
traffic both in mail and personnel. The security of the island is a very minor matter. A man holding Piggott's position really ought to be a fully-trained B. Division officer, whereas in fact he never even saw a soul in B. before he left. His only experience was as an S.C.O.

I dined with McEwen who was just going to take up a consular position in Washington. He was formerly in the uptown office. He is a very nice fellow and intelligent. We watched the War Parade procession from the Knickerbocker Club. It had been going on all day down 5th Avenue. Some of it was quite impressive but a lot was rather tawdry.

June 14th

Gavin Young asked me whether we had ever received a Canadian report on 5th Column activities in Quebec No. 970 of 9.6.42.

S.O.E. have apparently put in an interesting report on the arrest of Hans SIEVERT in Pernambuco.

June 15th

I dined with Hyde and his wife. She was formerly employed on work in London, then at Bermuda and now in the New York Office where she had a little lab. She and her female assistant are apparently

quite efficient at their job. They gave a course of instruction to the F.B.I. whose methods in these matters are somewhat crude.

I took the night train to Washington.

June 16th

I had a talk with Coughy who is the F.B.I. representative in charge of crypto-analysis, laboratory work, cameras and technical appliances. He had seen the code 111/333 which had been in the possession of WESTERLINK. He said that it appeared in a book entitled "Elementary Crypto-Analysis" by Helen Fouche Gaines, published by the American Photographic Publishing Co. of Boston in October 1939. He showed me a copy of this book which contained a number of other codes. We are taking steps to obtain copies for circulation to censorship points and other people who may be interested. It seems likely that if the Germans have been using this book they may be employing some of the other codes it contains.

I asked Coughy whether he had any apparatus for taking a movie photograph of an individual in a room without his knowledge. He said that the only apparatus that he knew of was an X-ray mirror. This could be fixed to the wall, it looks exactly like a mirror from the inside and could not be detected unless a light was placed behind it. He had used this

quite successfully on one occasion. I also asked him whether he had any special miking devices to which he replied that there was a machine which would start recording immediately someone began to speak, but it would go on recording until it was stopped. If therefore anybody banged the door or coughed it would immediately start the machine working. As this obviously did not obviate the necessity for having someone constantly in attendance I did not think it was worth bothering about. The apparatus is made by the Recordergraph Corporation 150 Broadway, New York.

I saw Tamm who took me into Hoover. Hoover is obviously the prima donna type. He was very cordial and held forth at great length about his organisation and his difficulties. I gave him some picture of our experiences in England whenever he showed signs of drawing breath, which was not often. It was obviously no good discussing with him such matters as XX agents. His mind is working more on political relations with other departments. Before I left Tamm I made an appointment to discuss five points, on which I hope we can reach agreement. I afterwards saw Kramer and dined with him, Kimbel and Coughy. We had a very cheery evening. Kimbel told me that he had already got going on on the XX Committee idea and that sanction had been obtained. Kimbel is bursting with keenness and longing

to come over to England. I think they all feel that Ladd is rather a stumbling block to better collaboration and it may be that it would be more profitable if we could get him over to England. If he once could be convinced of our sincerity I think things would go better.

June 17th

and I went down to the F.B.I. school which is about 20 miles from Washington in the State of Virginia. I listened to one of the lectures on office procedure. The course is quite a good one but it seems to be purely a police course. I do not think that there were any lectures on the German Intelligence system, probably because nobody in the F.B.I. really knows anything about it.

We dined with Coit, a pleasant individual who according to _____ has done good work. He apparently goes down very well with the Americans. There are stories about his activities in the last war when he was said to be connected with Thornley Gibson in some sort of peace move in Switzerland. I gather from Stephenson however that there is nothing in this and that Coit explained it all before he was taken on. He had a letter from the Under Secretary of State exonerating him from all blame. He appears to be pretty well off since he _____
Catalogue Reference 474/190 from Security Co-Ordination. His real name is WETZLER.

He was formerly in Schwab & Snelling who have a very unsavoury reputation in the city. Financially he may have been a bit shady in the past but I should say that he was now solely concerned with assisting the allied cause to the best of his ability.

June 18th

and I had a meeting with Tamm who called in Ladd. We obtained agreement on the following five points:

1. exchange of confidential information on the basis that it will be exclusive to ourselves and the F.B.I. and that no action will be taken on it without reference to the other party. Such information will be stamped accordingly.
2. exchange of information on the significance of names and references in all intercepted material in duff or S/W. Tamm emphasises that this information also be exclusive since he would be afraid that if it went to one of Donovan's boys they would be holding 4th July celebrations in the suspect's back garden. There had apparently been an instance of this in some case based on intercepted material. The name and address of the suspect had got on to the censorship list which had been seen by one of Donovan's people with disastrous results.

3. exchange of traffic in the cases of all XX agents where there is mutual interest.
4. collaboration in running such agents.
5. right to interrogate persons where there is mutual interest. Tamm explained that this would generally be feasible but that there might be cases where it would be difficult. In such an eventuality he undertook to allow us to have direct access to the F.B.I. officer concerned.

This agreement seems satisfactory provided it can be lived up to by both parties.

I returned to New York on the night train.

June 19th

I had a meeting with Le Forgeais and Tibbett when we discussed the question of the White Card system for recruits to allied armies. Le Foreais explained that his task in the past had not been without considerable difficulties owing to the various idiosyncrasies of the allied representatives in Canada. He thought however that in general things were working fairly well. He provided an answer to the memo which I had given him and I dictated a reply to Kenneth which was sent off immediately, suggesting certain amendments in the present procedure. It seems that D. Americans join

the Free French Forces or the Foreign Legion for service in Africa and that S.Americans join allied services if one parent is of their own nationality. Bavin however drew attention to the fact that the R.C.A.F. and the Canadian Army accept S.Americans or any nationality although these people do not come under the usual vetting procedure. I said that this seemed to stultify all the work that was being done with regard to the personnel for allied services. Bavin undertook to make enquiries and to pay a personal visit to Canada with a view to placing this matter on all fours with the existing procedure for allied forces. He thought that if it were taken up officially nothing would be done for many months if at all. Another anomaly is the fact that the Americans are calling up all neutrals for service abroad and that these people may turn up at any time on British territory in American uniforms. Le Forgeais told me that he had a list of 4-500 deserters from the Canadian and other forces stationed in Canada. This list included a number of flying officers. Some of these were Americans. Since the entry of the Americans into the war no further Americans would be recruited.

I had a talk with Colin Smith on sabotage. He showed me a long list of cases, details of which had been obtained mostly from the press. These cases were submitted

to London in weekly or monthly reports. He wanted to know whether we were interested. I said that I thought it would be better if he sent us only such cases where there was reason to suspect enemy action and that it would be useful if before sending them he could make enquiries with the authorities concerned. He agreed to do this in future.

I had a talk with Bates and Brownrigg about the seamen's Black List. Hastings, the D.N.I. representative in Washington states that the Navy have cards for all doubtful seamen but no typed list. They very much appreciate receiving our lists and wish is to be sure that every possible precaution is taken to prevent doubtful seamen from the U.S. embarking for a British port. Hastings is going to try and get the Navy Dept. to compile a list.

I lunched with Hamish Mitchell, Charles Watson and Hill-Wood. Watson is in charge of censorship at Bermuda and Hill-Wood is doing censorship work in New York under Des Graz. They mentioned the case of correspondence intercepted in Liverpool passing between Mexico and Stockholm. This correspondence had a distribution of 5 but New York was not included. All present were strongly in favour of some form of amalgamation between S.I.S. and the Security Service in the Caribbean, if not elsewhere. I wrote a long letter to the D.G. and one to Dick which I sent

by Stratton who is leaving tomorrow for the U.K.

June 21st

Spent the day at Long Island.

June 22nd

I had a talk with Brooksbank on office security, of which he is in charge in New York. I explained to him the various ramifications of S.I.S. and the Security Service also the relations with Home Defence Security Executive. He had never been told about these matters. He called in Bailey who is in charge of S.O.E. security. He said that Fairly who was away for 3 weeks would be taking over this matter on return. He had already drawn up a draft plan for security within the organisation which was being sent home to headquarters. Originally S.O.E. had covered all British overseas ventures. This was found to be unsuitable and was abandoned. They now work under Security Co-Ordination, which is in a sense an open title since it is a registered telegraphic address. It is not however posted on the door. Passport Control which is on the 35th floor is probably the best cover. For financial reasons the Treasury Dept. are also acquainted with the title of Security Coordination. The question of having grills on the doors is being considered, but it is the fact that this might attract

too much attention. Confidential waste paper is shredded and then burned at the down-town office every two or three days. Shredding turns paper into confetti. There is a pass system for outsiders but the staff which consists of 140 to 160 persons do not carry passes as they are all personally known to the door-keeper.

As regards recruiting S.O.E. take a room at an hotel or boarding house which is changed weekly.

The question of having an officer to sleep on the premises for night duty purposes and for general security purposes was raised. Brooksbank seemed to think that something of the kind should be done.

June 23rd-30th

On leave. *a brief meeting with Mr. [unclear]*

July 1st

London, England
Returned to New York via North Carolina.

July 3rd

I saw Le Forgeais. He told me that it was true that S. Americans were being enlisted in the Canadian Air Force and were not subject to the normal vetting procedure. This seemed to me to stultify all the arrangements for vetting people who were joining the Allied Forces.

since representatives of the Canadian Air Force were distributed about over Britain. Le Forgeais said that Bavin was going up to Canada to see if he could come to some arrangement with the Canadian authorities. He thought it better to do this unofficially.

and I saw McSwayne at the F.B.I. headquarters in New York. We had intended to see Foxworth but he was tied up with the Generals trying to make arrangements for a Court Martial of the 8 saboteurs who had just been arrested. Apparently the two parties, one at Long Island and the other in Florida, were operating independently although they each knew of the others existence. They deposited their material on shore and after burying it went to reconnoitre or to make contact with certain people who were thought likely to be sympathetic. Six of these people have also been arrested. The 8 spies were caught on their return to collect their explosive. The whole project has been in preparation since last April. There is a great deal of confusion about the Court Martial procedure to be adopted since no case of the kind involving the death penalty has been known since the days of Abraham Lincoln.

McSwayne talked a certain amount about the lack of powers in dealing with

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ACT 1958. Oct 2000

623

Americans of German origin and they might claim the right to be tried in the civil courts. The problem of interning American citizens is equally a difficult one. There was nothing equivalent to our IOB and it was therefore necessary to proceed by de-naturalisation. This is a cumbersome business and a good deal of convincing evidence is required. Capt. Drexler, who featured prominently in the 1938 espionage case, was an American citizen and formerly Marine Superintendent of the Hamburg-America Line, but since he was a citizen he could not be interned even though he was taking a lively interest in German internees in Canada. Attempts were being made to get him de-naturalised but McSwayne was not hopeful.

July 4th

I saw Tricycle in company with McSwayne and

He seemed to be rather full of complaints as regards his treatment since he arrived in America. It was quite embarrassing for me as he was so full of praise for the way he had been handled in England. He maintained since he arrived in America his case had never been given careful consideration. He had been obliged to spend a good deal of money because otherwise the Germans could not have expected him to move in the circles in which he was to collect information. Had they wished him to do otherwise they should have arranged a suitable cover. He was now in financial

624

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ACT 1958. Oct 2000

difficulties and the Americans were refusing to support him. He said he was quite ready to live on a modest scale but it was up to the Americans to think out some suitable cover. There is no doubt I think that Tricycle has been living pretty well and that in anticipation of financial support from Germany he has run himself heavily into debt. I do think however that he has been seriously mishandled. In order to meet his immediate needs paid him \$2,000. I doubt however whether he will get anything out of the Americans. Wren offered to pay half the liabilities which run into something like \$15,000. I asked Tricycle about his visit to Lisbon. He said that nothing much occurred outside what he had already reported. The principal incident was the arrival of the General Staff Officer who had to consider Plan Midas. He explained that in order to get to Rio he arranged that he should be given a diplomatic mission by his government. This enabled him to carry a bag and to deliver certain information which had been approved for transmission to the Germans. He saw the M.A. and N.A. and was eventually passed over to Alfredo Engels, since arrested. He then made an arrangement by which he could communicate from New York to Rio through a Brazilian Captain. This arrangement subsequently broke down owing to the declaration of war by the U.S.A. Tricycle received roughly \$9,000 in Rio.

Later Wren and I went on to see Foxworth with whom we discussed the position of Tricycle. I gave Foxworth our views about the XX agent system and impressed upon him that it was impossible to run a man like Tricycle the way they were doing. We had found it necessary to have as many as 8 or 9 people who devoted themselves entirely to XX work. Foxworth implied that it was impossible for his organisation to detail so many men for this work. He did not seem to comprehend the importance of it. He was thinking all the time in terms of a balancesheet. Tricycle had been there for so many months, he had cost the F.B.I. so much, he had given the enemy certain good if not vital information. All this was on the debit side but there was nothing on the credit side. I tried to explain to Foxworth that there was a great deal on the credit side. He had had a man who for 6-8 months had been in the confidence of the enemy and who was therefore something in the nature of an insurance against penetration. If he could reach a stage where he had the majority of the German agents in the U.S.A. under his control, his problem in dealing with counter-espionage would be largely solved. Having heard that Foxworth was by far and away the ablest and most intelligent representative of the F.B.I. I was a little disappointed by the interview. He struck me as being singularly narrow in his outlook. It may have been that he was too harrassed by the

sabotage case to enter into serious conversation on the question of double-agents. He had just returned from a long visit to S. America. He said that his policy there was to get all the illicit wireless stations closed down. I rather gathered that he had been responsible for closing the station at Valparaiso. His idea was that by getting Chilean and Argentinian authorities to take action public feeling would be aroused against Germany and that ultimately both these countries would be driven off their neutrality. If there were any chance of his being successful in this regard the price might be worth paying, otherwise he was obviously doing himself and us harm since he would drive communications into other channels which it might be difficult to discern.

Foxworth gave me a promise to send full details about the sabotage case as soon as the trial was completed. Matters are being so rushed that it seemed doubtful whether they would ever get the full story.

I had a talk with Karri-Davies about the seamen's black list. He had succeeded in extracting the list from the U.S. Navy but since it seemed to consist to a large extent of communists and to be extremely bulky, I asked him to try and get the Naval Authorities to reduce them to manageable proportions. We were really only interested in Axis agents. K-D doubted

whether the Americans had any general Black List. He thought in any case that it would be of little value to us.

I had a long talk with Madement who gave me a list of the ISOS groups in which the Americans had expressed interest. It was clear that they must already be reading a number of these services owing to the information that they had gained from Rio and Valparaiso. This being so they would probably take action if any of the material seemed to concern them. I thought therefore and in this Madement agreed, that it would be much better to come clean on the European material and give an undertaking to the Americans that we would watch their interests. If they guarantee not to take action on European material without prior reference to ourselves we could give a similar guarantee with regard to material obtained in the Western Hemisphere.

Madement was now experiencing considerable difficulties since Oughey of the F.B.I. had insisted that the general agreement with Hoover that the Services should only be approached through himself should apply equally as regards Madement's relations with the Federal Communications Committee and the coast guards. Madement was therefore reduced to putting his requests to these bodies on paper and handing them to the F.B.I. This inevitably meant a delay of a week or so and an unsatisfactory answer, since the

F.B.I. did not speak Madement's language. I suggested that Madement should get Stephenson to see Hoover in order to obtain his permission for some measure of elasticity to be applied to the agreement. His case seemed quite unanswerable and the present arrangement was only damaging to us and to Hoover if he had the sense to see it.

July 5th

I had a talk with Bailey, the Canadian Professor who is in charge of Stephenson's communications. He showed me his adaptation of the telecrypton which is a tape punched with holes in such a way as to put any message into a one-time table. This is then transmitted and comes out automatically at the other end. This is used for communication both with Ottawa and Washington. Some adaptation is being suggested for communication with Europe. Bailey is very worried by the restrictions being placed upon a frank talk with the Americans on the subject of ISOS. He said that our present reluctance to tell them what we were doing was creating a very uncomfortable atmosphere. Madement had recent a list of the stations that we were monitoring with strict instructions that there were for his information only. Bailey on his own initiative had passed these to the Americans in strict confidence. If he were challenged he was quite ready to stand the racket and had the support

of Stephenson. I told him that on my return I was going to propose firstly that he should be given a mandate from the Security Service and secondly that Cyril Mills should go ~~over~~ in order to assist in working D.A.s. He entirely agreed with these proposals. He asked me to let him know if we had any records in England of Coit, since it had been suggested to him that Coit had a bad history dating from the last war. He explained to me that Coit had told him before being taken on that he had been accused of having been connected with some peace move in 1916 but he produced a letter from the then Under Secretary of State, Foreign Affairs, exonerating him from all blame. At the time in question he was in Switzerland. I promised to look up the records and let him know.

I left for Montreal on the night train with en route for England.

July 6th.

As instructed we reported to the aerodrome and were told that we would be fetched at about 11 a.m. in order to have our baggage weighed and to receive instructions in the use of oxygen. We drove out in a bus and after being fitted with flying suits we tried on our oxygen masks and received a short lecture. We were told that we should not be leaving Wednesday morning but that in the meantime we should

230
abstain from eating any gas-making foods such as cabbage, beans, etc. and from drinking alcohol. It seems that at 18,000 feet the pressure at ground level is reduced by half. The gases in the stomach consequently expand and create a feeling of fullness. We then had to sign a form saying that we did not hold the British Govt. responsible for anything that might happen to us. Nobody seemed to worry much about my luggage which was supposed to be 40 lbs but must have been 50 or 60.

July 7th

and I paid a visit to Supt. Gagnon, the head of the R.C.M.P. in Montreal. We discussed with him the question of action against the Spanish Consulate in Montreal. He said that the telephone so far revealed nothing of interest. I gather however that he was going to try and insert a mike and also to get an agent inside. He talked a lot about the French Canadians. He seemed to think that the question of conscription had been badly handled. It was largely a political issue which had been running since the Boer War. He thought there would be no difficulty in getting French Canadians to enlist voluntarily if there were allowed to have their own battalion officers. There was no necessity to put them into the same division or even to brigade them but the English Canadians did not really understand the habits and

customs of the French Canadians and provided they had their own officers all would be well. He explained that the French Canadians were interested in the French language and culture of the 17th century but that they had no interest in France or Frenchmen of today! They were 100% Canadian. They were increasing rapidly compared with the English-speaking population. Gagnon struck me as being a very fine fellow, and I should imagine that he would probably be Commissioner before he is finished. I gather that he comes next but one on the list. We discussed the KLECZYNSKY case. I said that we were quite convinced that the whole incident of the bomb being placed in Sikorski's plane was phoney. Gagnon entirely agreed. The officer on the case had come definitely to this conclusion after his interview with the Polish Ambassador in Washington. Obviously there had been an attempt to hush the whole thing up.

July 8th

and I were picked up at our hotel at 8.30 after collecting our documents which had been deposited in the aerodrome safe for the night. We got into our parachutes the harness of which is rather uncomfortable. We were told that if we had to jump we should push the parachute away with the left arm and pull the cord after 3 or 4 seconds drop with the right

I had the feeling that I should be quite unconscious when the moment arrived to pull the cord. We eventually crawled into the plane with our flying kit. Six of us had to go in the bomb rack and four in the small cabin, which had windows. The machine was a four-engine Liberator. We carried a full weight less 11 lbs. The crew consisted of 4 or 5, the pilot being Moll, the famous Dutchman employed by K.L.M. I was told that short of the engine falling out he had dealt with almost every situation in the air. There were two members of the Ass. Press. of America on the plane who were going as far as Gandar in Newfoundland. They were doing an article with photographs on the Ferry Command. They took numerous photographs of us in the Cabin.

We did not fly very high, I should think about 8,000 ft. One of the officers, in the party seemed to be slightly in distress and was given his oxygen mask. A WAAF also came with us as far as Gandar. She was doing her first flight, and except for a few bumpy moments seemed to enjoy it.

We reached Gandar in about 4 hours having left Montreal at about 10. There we had a meal and after about 2 hours wait we were told to get into our flying kit. This was quite a
 Catalogue Reference: Kw/4/190s, flying suit with silk lining and lambs wool lining,

and waterproofed outside, leather helmet and Mae West, the life belt which inflates automatically by the pulling of a string. If this mechanism fails you have to blow it up yourself, through a tube. It was extremely hot at Gandar. We crawled on our hands and knees into the inside of the plane and on this trip I travelled in the bomb rack on a mattress. We were told that we should have to use oxygen all the way, as Moll made a habit of going straight up into the stratosphere. Almost immediately after we started the oxygen was laid on and we plugged into the feed at the back of us. I confess to a slight feeling of claustrophobia at first. There were four of us lying face to face in a kind of half-moon shape, in full kit, with the rather tight uncomfortable mask over the nose and mouth. It was impossible to speak or hear. We all chewed gum going up and coming down as this gave some relief to the pressure on the ears. The only thing to do was to read, since we were not allowed to go to sleep in case we should fall on our oxygen tubes and go into a coma. I read almost the whole way, and occasionally kicked my fellow passenger when I thought they were going to sleep. On one occasion after taking a deep breath I pulled out my plug in order to hand some rather welcome hot coffee and sandwiches to one of the American officers at the other end

of the plane. I found this pretty exhausting and was quite glad to get back to my mattress and plug in again. I had taken the precaution to relieve myself, with some difficulty, owing to flying kit, before starting. In the event of anything being necessary on the plane, the instructions were to take 8 deep breaths crawl up the hatchway into the cabin and so to the toilet, where we had to plug in again. I did not in fact find this necessary. I don't know what anybody does if they feel sick. Mercifully I didn't.

We did the trip in 10 hours, landing at Prestwick.

July 9th

I was quite glad to get out of the cabin and still more to get out of the flying kit. The descent was rather painful on the ears and antrims but nothing to speak of. I was quite deaf for 24 hours and felt a bit weak after the oxygen. We were passed through the Customs without formalities and our representative arranged for us to have a car to Kilmarnock where we got the 10.37. We had landed at about 8.45 a.m. Wren and I reached London at 7.30 p.m. when we deposited our documents at the office.

July 10th-12th

Spent most of the time relating my experiences in America to those concerned and in finding out what had been going on during my absence. A diary had been kept of the more important items which seemed to be as follows:

May 26th Gibbs started his trial month of dual representation at Censorship.

Stopford returned from Iceland with stories of the chaotic state of security there.

May 27th An Italian agent captured in Malta, named CARMELO. He landed by parachute and had W/T apparatus with him.

One PRICE of WELTZIEN's organisation discovered by one of S.I.S. XX agents. He has said that WELTZIEN told him that he would give him the names of 5 German agents in this country. He is being sent here for interrogation.

MARSCHNER has admitted that he is Counter SCHUTZ.

May 28th Sir Charles Teggert began his four days sojourn in this office, at the D.G.s invitation, to look into our Black Market cases.

May 29th. Three Germans, FLEISCHNER, SCHOMBERG and BAEBENROTH, alleged to be German refugees from Gib., now at R.P.S.

BABENROTH's escape from concentration camp was mentioned on ISOS but all 3 tell such a tissue of lies that it is difficult to know what to make of their story. I gather Milmo is most suspicious of FLEISCHNER.

The "Arctic" crew are to be sent to the Oratory Schools on arrival for interrogation.

June 1st One JUDE, a Belgian, who came here in March from Canada as a pilot, and was supposed to have been vetted over there, was denounced by FATHER as an agent of the Germans, trained by the same man who trained FATHER. He was interrogated by the Belgians and confessed that this was so, but that he had not intended to work for the Germans once he got there. He is to be sent to Ham.

PRICE, the Portuguese aircraft technician who was said to be one of WELTZIEN's people, has now been discovered to have been provoked by an agent provocateur in the pay of S.I.S. into saying he would work for the Germans. He is coming here on the "Inaki" and will go to the R.P.S.

Stopford is returning to Iceland for a fortnight tomorrow.

WITT wishes to move into another flat as he suspects that his present one is miked.

June 2nd A cover address from the Valparaiso service was put on the I.B. list, as a result of which a letter was seen going from a firm in Switzerland to a firm in the City written in the same style as the "Joe K." letters. Only a photostat copy was taken and the letter was allowed to go on, but a further letter, going from London to Switzerland, has now been intercepted written in the same style, on which certain brown marks were found which are being tested for Duff. Although the second letter was written after the first must have been received, it is not in any way a reply to the first, which it does not even mention. It does however deal with the subject of coffee, as did the first.

June 3rd Jens PALLSSON, the wireless operator of the "Arctic", arrived at Lam on 31.5.42. It has now been definitely established that MAGNUSSON and DALBERG are innocent and their release will take place in the near future.

Re the case of VAN ACKERE and BRUELY, it is the opinion of all concerned that VAN ACKERE's trip to this country was connived at, if not actually instigated by the Germans, and that the Germans were behind the message which he brought with him. The real issue is whether the two are guilty parties or innocent dupes

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ACT 1958. Oct 2000

638

June 4th Gambier-Parry attended today's R.S.S. meeting, and has undertaken (1) to intervene diplomatically with Travis in order to secure that better attention is paid to Group 8, and (2) to represent to the Y. Committee, of which he is a member, that R.S.S. should have a representative on the Inter-Services Wireless Board and that closer liaison in general should take place between R.S.S. and the Interception Services. He further reported as an "off the record" confidence that it was proposed to set up a met. station in Spitzbergen and that he thought it possible that R.S.S. might avail themselves of this position to attempt to intercept the northern Norwegian services. Again "off the record" he informed the meeting that Travis was on the war path about general search. It appeared likely that he would get R.S.S. to take over general search for all the other services. G-P seemed not to be in favour of this but Dick said that it was highly logical and that he was in a position to demand equipment from the other Y. Services in exchange for covering their responsibilities in this respect.

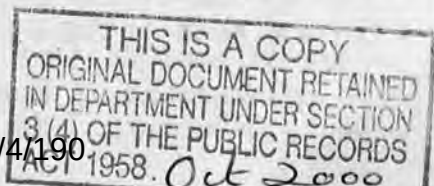
Van der Willik is going. Further suspicion against Acworth owing to a report by Roberts that he may be an agent for his uncle and Capt. Rogers. The D.G. has agreed to some research into his activities

M. Rothschild and Roberts are the only people in on this matter.

The Irish reported that when Luke Jr. was arrested and searched, a piece of paper was found on him containing the names of T.A.R. and Marriott, the address room 055 and the W.O. telephone number with our extension, and a note to get in touch with them in any emergency. He had not told us before that he had this on him, and it is a bit of luck that the Germans did not get hold of it when he visited the Legation in Dublin. He is being questioned by Mair in Glasgow on this point.

June 5th U.35 says that the Czechs have got hold of a story that reprisals were going to be taken for the death of Heydrich by an attempt on the life of Benes. The Czechs were anxious that special steps should be taken to guard him

The back numbers of ISBA have now arrived. 35 of them refer to Ivan or his sub-agents and contain information which B.1A certainly ought to have received. 11 refer to an agent called Max who is a Czech agent not an S.I.S. one, and there is therefore no excuse for including them in ISBA. One of them was of considerable operational importance as it referred to possible targets on the French coast for Commando raids.



"C" rang up to draw our attention to recent S.M. which seemed to indicate that PLUGGE has been instrumental in supplying the Egyptian Ambassador with some means of direct communication with Cairo.

"C" seemed anxious that G-P should be brought into the matter. Dick had a discussion with Kellar and Hughes and it was arranged with Frost over the phone that a conference should be held at Barnet tomorrow to which G-P should be invited. C. informed that we were taking necessary action.

June 6th The ISOS character ARMANDO has been identified as Dr. Cunha e COSTA, a relative of SALAZAR. He has been arrested at Bathurst and F.O. agreed to this action on condition that concrete evidence of his guilt could be produced. Unfortunately a search has revealed no such evidence in any form although it is made perfectly clear on ISOS.

An Egyptian named SUBHY HANA whom S.I.S. know to have been working for the Germans has been arrested at Mombasa.

A Miss Chalmers wrote to the F.O. stating that she was in touch with a Belgian who had interesting information to give. This turned out to be one Pierre HERMANT, who was on the point of leaving for the Congo. He was seen at Room 055 by Brook-Booth when it emerged that he had been recruited by the Germans in Brussels and had been sent to Germany. He stated however that

he had developed cold feet and had backed out of doing anything for them. He is being detained for further interrogation.

June 8th Information has been received from two quarters that there is a German spy in the Southampton area. One source is the Poles, who give a call sign EOT or EOT 4, with changing frequencies and changing times of transmission. The other source is an informant in contact with the German I.S., who gives a circumstantial account of an agent being dropped in then Liverpool area in April 1942, named CHOLLIER, who is now living with a Miss Betty Cumming at an address in Southampton. This may turn out to be identical with Sweet William. R.S.S. have once intercepted a transmission with a call sign EOT. (Later B.1A stated that there was no connection with Sweet William).

U.35 and Harmer have seen a Frenchman named ADAM and a Pole named MAURICE, members of the WALENTI organisation, whose stories throw further doubt on Victoire.

June 9th Swinton has been appointed Minister Resident, with Cabinet rank, in Western Africa. Duff Cooper is to take his place here.

V.V. has gone to bed with a nervous breakdown.

It was decided to intern Victoire.

WITT was sent to O20 today. PLURA, FEDERN

and Hans JAEGER were interrogated and searched. They all spoke in favour of WITT.

June 11th Dick's O.B.E. became known to the office and he was the embarrassed recipient of a numerous congratulations.

Morton-Evans attended the 12 o'clock meeting today. The possible use by Germans agents of V.H.F. was discussed. M-E considered that it was improbable that any V.H.F. sets were being used by long-term agents as the technique was so new that sets as they were manufactured were almost certain to be sent to the Forces for operational use. V.H.F. was still in the stage where it was a matter for the radio engineers and not for Intelligence.

There are indications that ISOS may be turning in part to Telex or Helleschreiber.

A letter has been intercepted on the Spanish Embassy check, written by someone in the Ayslesbury district asking if they can provide him with a means of earning £100. He states that his unit is shortly going abroad. Skardon is trying to trace the writer. Permission has been asked to impose checks on the Swedish and Portuguese Legations so that any similar letters can be picked up. The writer in this case suggested the insertion of an advertisement in the "Daily Telegraph" as a reply.

June 12th ~~ACI-1058~~ of Belgians have escaped in a German patrol boat. They are part of the normal crew of the boat, and took advantage of the fact that the Quisling of the crew, under whose orders they usually worked, was off duty.

The Poles have a large organisation in Scandanavia through which they obtain information from the Japs, known for the purpose as "Eggs". This material appears on and the information is graded according to the size of the "Egg".

Ned Reid has done a critique of the Camp 020 interrogations and reports on HIRSCH and GILINSKY which throws considerable doubt on the value of of any of these interrogations. He has torn many of the statements made by these men to pieces and has shown them to be much smaller fry in the financial world than we had been led to believe. The inaccuraciés in their statements which he has been able to prove naturally throws doubt on everything else they have said.

June 13th The case of the arrest of ARMANDO @ Dr. Cunha a COSTA at Bathurst has shown plainly how fatal it is for S.I.S. representatives not to work in collaboration with our representatives who know routine procedures. The S.I.S. representative at Bathurst, in an attempt to keep the arrival and search of ARMANDO secret, failed to inform the airport of the arrival of the plane, so that instead

Catalogue Reference: KV/4/190

444
point ARMANDO, the wretched man was dragged off to a customs hut, stripped and his belongings gone through with a tooth comb, while the rest of the passengers waited impatiently for this "suspect" to be dealt with. The incident was cabled to the C.O. by the head of the local censorship unit, who complained that he had not been informed in time of the arrival of the plane to get his censorship machinery into action. The C.O. have cabled to the Governor asking him to investigate the incident. The whole affair has thus been dragged into the full blaze of publicity. This is all the more unfortunate as nothing was found on ARMANDO, who by the terms of the arrangement with the F.O. had to be allowed to continue his journey. However, he can hardly claim to work as a secret agent for the Germans on British territory in future.

As a result of further work on the Arctic case it seems probable that only one man may be really guilty, and he may yet be found to have been merely a tool. On Milmo's suggestion a demarche is going to be made to the Iceland Govt. taking the offensive and putting them in the wrong by complaining about the whole incident, particularly about the Icelandic Consul, Thome, at Vigo.

The problem of the powers under which enemy agents should be arrested in the Colonies, which came to a head over the detention

of SOBHY HANA at Mombasa, is being discussed by Pilcher with the H.O. and C.O.

Dick had a discussion with S.O.E. on the extent to which they could help us by providing information. Archie Boyle and T.A.R. were present. Boyle was anxious to help but did not want to do anything which was not in S.O.E.'s charter. He felt however that it was well within their powers to assemble all C.E. by-products which came to hand during the course of their activities, and that there could be no harm in passing such information to us. He thought the best way to initiate such action would be for him to write a letter both to C. and to us explaining what he was doing and passing to each the results. He further said he thought it very important that someone should be collating and interpreting all available C.E. information for the purpose of defending the two Intelligence Services from penetration by the enemy.

Woolrych began his visit today in return for T.A.R.s to the S.O.E. Training School.

Kellar has written an excellent account of the Pasha's Intelligence Service. It is clear that the Pasha has such an organisation and that he has direct means of communication with Cairo and probably also to other centres. There is no evidence

646
that he uses the information he obtains for communication to the enemy and Kellar is of the opinion that he is far more likely to want to use it to impress the British with a view to furthering his own claim to a high position in the united Islam of the future.

June 16th The Czech XX agent Max, who is shown on ISBA to have betrayed us to the Germans, is to be brought back to this country if possible. The present suggestion is that he should be delivered over to the Czechs for court-martial and further interrogation.

The R.P.S. have turned up a spy in the person of a Dutchman called DRONKERS. This man arrived in the U.K. nearly a month ago in company with a half-caste and another man, who like himself was an employee of the Posts and & Telegraph. DRONKERS was interrogated by a Dutch Intelligence officer who by his knowledge of certain associates and contacts was able to prove that DRONKERS had a brother-in-law who was a wellknown Quisling called KLAEVER. DRONKERS eventually confessed that he was Karel van DONGEN, an ISOS character known to us for some time. His cover address is the same as that of Father and MEISSTEUFFEN, and was brought over in the pages of a dictionary. He also tried to get a broadcast message of his arrival sent in the name of Karel.

Dick discussed with Stephens what assistance could be given by him to S.I.M. E. in the creation of a camp on the same lines as his own in the Middle East. It was pointed out that it would probably be located in Palestine, where consideration must be given to local building materials and limitations of soldiers for guard duties. As a result of this conversation Stephens is working on a blue-print for a Palestine O20 but is adamant that he cannot lend one of his officers as he is already short staffed and Huntercombe will soon be coming into being. He suggested however that a suitable candidate could be trained at O20.

Dick went round Camp O20 with Stephens, and says that it is at last a finished article. Its resemblance to Dachau is somewhat pronounced, since there are long pathways commanded by searchlights, while even the allotments are neatly partitioned by barbed wire fences of considerable height.

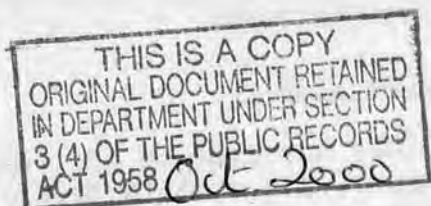
June 18th Dick had a long discussion with Frost about the position of the R.S.S. As a result of this he thinks the following problems must be faced and settled in the near future:

1. What is the status of the S.S.&S.I.S. Committee - is it a controlling body over the R.S.S. and can it intrude upon the technical administration of the R.S.S.

2. the position of the mobile units and personnel for sniffing work. The question here is whether M.I.5 should not control the mobile units and in addition develop not so much as part of R.S.S. but more on B.6 lines, special personnel trained in radio matters, who could operate on special sniffing. The technicians, such as Swann and Sclater, say that when it comes to investigating a case like that of the Luppitt affair, experience in intelligence is probably more important than technical skill. There is no reason why personnel should not be taken from those at present available to work the mobile units, who could be under the control of M.I.5 and adapted to this kind of work. Swann has already made a start at it. Maltby however is challenging the right of M.I.5 to conduct anything in the nature of sniffing, even when it incorporates the insertion of the individual under a special cover for the purposes of investigation. This seems to be a very questionable position for us to be in.

3. Who is responsible for V.H.F? This is a perennial problem which has become very significant at the present moment with the development of V.H.F. technique with us and consequently presumably with the Germans. An expedition recently sent to the Isle of Wight obtained highly interesting results in this field, and the range was found to be something in the neighbourhood of 90 miles. Something

related more to the I.B. organisation than to present R.S.S. should be adapted for this purpose and put under the general direction of M.I.5.



An agreement has been reached between Woolrych, Dick and T.A.R. for closer collaboration on the following lines:

1. exchange of personnel on our side by sending officers to the S.O.E. training school; on theirs by sending their specialists to confer with their opposite numbers in this department.
2. on our side to keep Woolrych in touch with the latest developments, and in particular to watch for any innovations in German technique, and to supply him with practical hints derived from our own detention of enemy agents e.g. weaknesses of cover stories etc. In return Woolrych will send us any information

Catalogue Reference: KV/4/190

return from occupied territory. Woolrych's week with us pleased him very much and has done a good deal to cement relations between our two departments. As regards B.Branch personnel to go to the training school Dick suggested Brooman-White, someone from the R.F.S. and from Camp 020, and if possible someone who will be with us after the war, such as John Marriott.

June 23rd

Gibbs has come to the conclusion, at the end of his month's trial, that there is not enough work for two people doing dual representation, now that the female assistant, in the person of Miss Chenhalls has been provided.

June 24th Skardon has identified the writer of the letter to the Spanish Embassy mentioned on June 11th as Driver R.G. NICHOLSON of the R.E.

is due to arrive at any moment with his mother from Lisbon, and will be going down to U.35 for a week.

STILWELL is on his way over from Lisbon with his lawyer. An order is being made out for his detention on arrival and Hale will interrogate him.

Grogan says that there is to be an Anglo-Russian Censorship unit at Tiflis, and arrangements are being made for an exchange

of "observers" between the Censorship Offices of our two countries.

It is becoming apparent that the latest cover story for German agents arriving here is that they have been indulging in Black Market activities and are making their getaway before they are caught.

DORAN of the Admiralty Central Registry has been sentenced to 6 months each on two counts.

The A.M. have brought up the question of possible leakage by wireless from the East Coast of the departure of our planes from that area.

June 25th Two Greek brothers, DIAMANDOULIS landed by parachute near the Egyptian coast and gave themselves up to the British authorities. They said they were trained by the Italians in Athens. They were interrogated in Cairo and the authorities came to the conclusion that they were trying to do a treble-cross. Two other Italian-trained Greeks, VENIERIS and DASSEOS, entered Egypt as refugees and gave themselves up with the same story, and the same conclusion was reached about them. Maunsell has sent in a long report about the four men, and it has been decided to write to him suggesting that they may be decoys to distract the attention of the British from the undoubted German organisation which exists and is sending out hot news.

652
June 26th John Maude returned from U.S.A.
He has got a job with the War Cabinet.

June 27th D.G. has asked Dick to
consider a proposal to transfer the
control of the R.P.S. to E.Division.
Dick disagrees.

June 29th A Spanish-trained German
agent named LECUBE has been taken off
a boat at Tobago where he was en route
for Panama and Colombo. He is to be
sent to U.K. as soon as possible.

Dick is suggesting to the D.G. that M's
organisation should be transferred to
the D.G. staff or F.Division.

STILWELL has arrived, and Hale and Hart
are at Brixton interviewing him.

Duff-Cooper toured R.P.S. on Saturday.

The appeals of ESTELLA and TIMMERMANN have
been refused.

Group 8 is increasing in volume and
is now almost as great as Group 2. C. has
said that the section dealing with Group
8 at G.C. & C.S. is being strengthened.

One of the German wireless expeditions
in the desert, known as the Schildkroete
Expedition, was captured at Bir Hakim
and is now in Cairo, complete with W/T
sets and codes.

The results of the STILWELL interrogation go to confirm our view that these people were decoys of WELTZIEN's meant to engage the enrgies of the S.I.S. people in Lisbon with false scents and clues. If nothing further emerges from cross-examination tomorrow, STILWELL will be released.

June 30th Another letter has turned up on the Spanish Embassy check, this time from a George STENFORTH, electrical engineer, saying he wishes to see someone on a matter important to Spain. He lives at Margate. Driver NICHOLSON, the previous writer, has now gone with his unit to Renfrew.

It has been decided to release STILWELL.

A Norwegian called BERG who has escaped from Norway and arrived in this country, has reported that there is a man called BERKELUND in Stockholm who purports to be an escaped Norwegian but who is strongly suspected by genuine escapees to be an agent of the Germans spying on them. It is to be arranged to try and get BERKELUND over to this country.

July 1st Victoire is being sent to Ayslesbury this afternoon in company with My ERICSEN, Stella LONSDALE, and Mrs. KRAFT.

We have been asked to put up a suggestion for a Military Establishment for B.Divn.

July 3rd S.I.S. have received a cable to say that all records have now been moved from Cairo to Jerusalem. No information as to whether Maunsell and his staff have gone too.

July 4th LENIHAN has been caught trying to get out of the country by joining the crew of a fishing-boat leaving Fleetwood, Hants. to fish off the coast of Donegal.

July 6th The B. Car is now available for use although the driver has not yet arrived.

July 7th A series of 4 Panels have been set up between S.O.E. and M.I.5. with different representatives on each. Panel A. will discuss points arising out of training of S.O.E. agents, possibilities for 96 hour exercises, and the interchange of personnel between us. Panel B. will consider operational security in so far as it affects the security of S.O.E. agents. Panel C. will discuss the general security of wireless communications of S.O.E. Panel D. will consider general exchange of information.

July 8th ISOS shows there is a plan to sabotage the s.s. Hartington at Las Palmas by means of a bomb fixed to the hull by a diver. The ship is to sail tomorrow. We have done all S.I.S. will let us to warn the authorities.

July 9th A man called LIDDLE has arrived from the Azores with stories of German penetration there. Eight Germans are housed in the same offices as the cable company and spend their time snooping. Hart is going to interview him.

July 13th

I saw both D.M.I. and C. about the W. Board meeting which was to take place on Wednesday. T.A.R. wished to put forward a suggestion that the Service officers on the XX Committee should devote their whole time to this work since it seemed that the XX network which for a variety of reasons appeared to be on firmer ground than it had ever been, was not being made full use of. D.M.I. did not seem to be very enthusiastic since he envisaged that they would go to the Operations Branches and knowledge of the whole system would spread. He thought it was preferable that Bevan, the successor to Stanley, should be brought on to the W. Board and should be made acquainted with the work of the Twenty Committee.

I had a long talk with C., and gave him my impressions of America. He asked me my views about the new organisation to be known as D.O.C.E. (Directorate of Counter-Espionage). I said that I had not really had time to consider the matter, which involved a reinforcement of Section V.

with certain personnel from B. Division under Dick. Cowgill and Dick were to be assistant directors and Vivian a director with dual responsibility to C. and D.G. The idea of a Joint Section had apparently been accepted by the D.G. at a meeting with Swinton before the latter left for W. Africa.

I gave C. my views about the attitude of the F.B.I. I said that the main trouble was the dearth of information about what was going on in Europe and the feeling among the Americans that we did not trust them. I did not put forward the suggestion that Stephenson should be given a mandate from the Security Service.

July 14th

I saw the D.N.I., D. of I. and Findlater-Stewart about the W. Board meeting, and told them about my visit to America. Both D.N.I. and D. of I. seemed in favour of allowing their Twenty Committee representatives to give the whole of their time to XX work. Findlater was as usual very sympathetic. I gave him my views about D.O.C.E. One essential is that Section V. should be housed in the same building as ourselves.

Field-Robinson and Thornley of S.O.E. came to see me, firstly about KURTZ, whom they want to send to Switzerland in the

capacity of a Legation official. I said that although I had thought that he was thoroughly trustworthy I should rather hesitate on security grounds to recommend to the F.O. that he be employed within the Legation where he would be bound to have access to a good deal of information. He still had relations in Germany and pressure might be brought to bear on him. I doubted whether he was a very strong character. It was eventually decided to send KURTZ to S. America and to try Edward Bloomfield for the post in Switzerland.

Thornley was anxious to know about WITT. I got down Aiken-Sneath who explained the position. Sneath, contrary to the view held by O20, believes that WITT, though anti-Hitler, is a National-Socialist and a German agent. There is however no satisfactory proof.

July 15th

Attended Dick's Wednesday meeting. Later I had an hour's interview with Duff-Cooper. I gave him an outline of B.Divm. and a brief history of our activities since the period preceding the war. I also told him of my experiences in America. He was not very responsive, but I dare say he was feeling somewhat bewildered. I got the impression that he imagined himself in the position of a Secretary of State running a department but without any papers or red boxes which would show him

what the department was doing. He was anxious to see as many members of the Security Service as possible, in order that he might become better acquainted with our work.

I went on to the W.Board meeting. We first discussed methods of getting approval for answers to questions about American troops in this country. Such questions were beginning to come in and it was impossible to say that we did not know about them, as they were beginning to swarm about the country. I said that we could not possibly give these answers without American approval since soon or later we should be found out and the consequences would be serious. It was finally decided that D.M.I. should approach Gen. Eisenhower and the D.N.I. Admiral Stark. We would try and get them to nominate some reliable officer, possibly their representative on the I.S.S.B., if he turned out a satisfactory person. We then discussed T.A.R.s memo. D.N.I. and D.of I. promised a whole time man to the work of the Twenty Committee. D.M.I. said he would consult and see what can be done. It was agreed that Bevan should join the W.Board and be placed au fait with the Twenty Committee's affairs.

After the meeting I discussed with C. the question of putting our cards on the table about European ISOS. He was

inclined to agree that something of the kind should be done, and asked me to put my views in writing. C. told me that according to his information the German General Staff wanted to get the Russian offensive over in order to transfer troops to the West. They were apprehensive about the 2nd Front. Hitler thought on the other hand that there would not be a 2nd Front this year.

July 16th

We had R.S.S. meeting. The question was raised of giving priority to certain ISOS messages of operational importance. It was decided to co-opt the Services for the next meeting. Groups VIII and XIV are beginning to get on their feet. VIII is the Italian network centred on Rome reporting German network centred on Istanbul.

July 17th

Driver NICHOLSON has been arrested. He has hopelessly compromised himself not only by admitting that he wrote the letter to the Spanish Embassy but that he had been in communication with Ribbentrop in 1938 when he had offered his services to Germany. He had received an invitation to go to the continent and funds to pay for his journey. He says that he returned the funds and never went. In giving this story he has by implication made his approach to the Spanish Embassy far more

significant. It is a moot point however as to whether he is or is not liable to the Death Penalty.

We have a report that 4 ships have been sabotaged at Gib.

July 13th

I lunched with Brooksbank, the security man in D.S.C. New York, A/C Paine @ "L-ousy", who is going with Evelyn Baring to look into S.I.S. matters in Spain, ~~Spain~~ ^{America}, Hoare who is also I think an S.I.S. man, and the D.G. Guelis of S.O.E. and Senter came to see me about the case of a man called DUFOUR who was held by the French as a Vichy agent but had escaped. The Free French had asked us to look for him and he had been traced to the house of a Mlle. Borrel, his mistress, who is to proceed on a very secret mission for S.O.E. in a few days time. S.O.E. were afraid that if Dufour was handed back to the French the story of Borrel's visit might be extracted from him. Our point of view is that we jeopardise our relations with the French 2eme Bureau if we try and conceal Dufour's whereabouts which are probably already known to the French, since they have suggested that we should keep a watch on Mlle. Borrel. It was agreed that we should temporise with the French and that in the meantime S.O.E. should ascertain whether Borrel had said anything to Dufour about her mission.

Borrel is apparently a woman of great courage, and the only female parachutist that S.O.E. have at the moment.

July 20th

Endless D.O.C.E. discussions.

De Guelis and Senter called again They have found out that nothing had been said by Borrel to Dufour. It was finally agreed to tell the French that for a special reason we wished to retain Dufour for a few weeks before handing him back. This would cover the period of Borrel's visit.

I dined with D.B. and discussed with him the question of D.O.C.E. I told him roughly what our ideas where, but that I wondered whether any organisation of the kind should have a head. It seemed to me better that we should retain our normal chains of responsibility at any rate for the time being. and let propinquity do its work. He had some suggestion about handing over to us Miss Frank's organisation. We both agreed that for the moment Ireland should remain outside the scheme.

KLECZYNSKI formerly referred to as PLACZYNSKI, which is not his name, has confessed, but we are not entirely satisfied with his confession. He says that the incendiary bomb was given to him in the course of a visit to an S.O.E. establishmer

He wanted it to use in emergency if he had to make a forced landing, in enemy territory. He had put it in his gasmask and thinking that it was likely to go off had gone along to the lavatory at the tail of the plane. He had invented the story about finding it because he thought that otherwise he might get into trouble. SHARKOVITCH of the Polish 2eme Bureau is by no means satisfied with this explanation.

July 21st

D.G. meeting but no B.matter of importance arose.

More D.O.C.E. conversation.

Lunched with Maltby and told him about America. He said that he shared ~~my~~ views about coming clean with the ISOS and would give the matter his support when it came his way.

E.Baring came in in the afternoon. He was just off to S.America. He seemed rather diffident about his job and was entirely without instructions as to how he was to proceed when he arrived in B.A. He had of course business contacts of his own but no other starting points. I suggested to him that he should attempt first of all to get a suitable introduction to someone in the police who was concerned with counter-espionage matters. Dick and I also gave him a number of other hints.

I saw the D.M.I. about certain information which Antony wishes to pass to the Brazilian. There had been a certain amount of difficulty with the appropriate section of M.I. which was not very well acquainted with our methods. D.M.I. agreed to let the information go.

July 22nd

I attended Dick's meeting, at which I presided for the first time. We discussed the case of MANEZES, a Portuguese ISOS character who has taken up a minor post in the Portuguese Legation. He is an agent of the Sicherheitsdienst. We have got another agent in the Legation who is watching him and we are keeping him under observation outside.

The famous D.O.C.E. meeting took place today. Present were, D.G., C.S.S., D.B. Felix, Barker, Dick and myself. Dick Butler took notes. S.I.S. took the line that it was impossible for Section V. to move up from the country and that the location should therefore be St. Albans. I argued that we had been faced with the difficulty of having our registry in the country but that everything was now running smoothly and that we had not suffered in consequence. Felix said that all the telegrams came into St. Albans and that advance copies are sent

to other sections in Broadway, if they were concerned. From 10 o'clock onwards he was in communication with these sections in order to decide who was to take the action. He did not see how it was possible to perform this function in London. I said that he thought it was possible he might find it much easier since files could be joined up to the telegrams and sent up to London with only an hour's delay on the present procedure. If they were required at Broadway they would already have travelled 7/8ths of the way and he would be readily available for discussion. Felix made one rather fantastic claim that 80% of the agents caught were due to S.I.S. information. It was subsequently shown by Milmo that S.I.S. had been responsible for the capture of 16 agents out of 87, that only in one case has a capture been attributable to an S.I.S. agent, and in 9 of the cases for which S.I.S. had been given credit the original information had been derived from ISOS. Further that in 5 of the 16 cases in which S.I.S. had made contact abroad with persons anxious to XX the Germans and that in one of the 16 we had discovered that a woman employed by S.I.S. was in fact XXing them with the enemy. Out of the grand total of 87 20 of the agents have ISOS to thank for their captivity. Unfortunately we were not in a position to produce these figures at the time. It was quite clear that Felix had set his face against any move of his organisation from Glenalmond. C.

impossible to separate the work, that they did for the S.S.. I finally said that I thought that the whole scheme must stand or fall on the question of location. It was essential for us to be in London and unless Section V. were housed with us in the same building nothing would be achieved. C. then tabled a plan for a directorate to be known as A.C.E. (Axis Counter-Spionage) which would have a dual responsibility to C.S.S. and D.G. Vivian was to be the head of it, and to remain Security Adviser to C.S.S. while Felix and Dick were to be assistant directors. As we had had no opportunity to ~~study~~ this document it was decided to postpone the discussion. D.B. however suggested that Dick and Gibbs and possibly Horrocks should visit Glenalmond in order to satisfy themselves about the question of the move. I think D.B. seeing that Felix was obviously obstructing, thought that this might pave the way to a settlement, and to the explosion of what is largely a myth, I am sure. This suggestion was accepted.

Frost came to see me about R.S.S. He is thoroughly dissatisfied with the position and wants Dick and myself to go down to Barnet in order that we may satisfy ourselves about the necessity for some improvement. His main complaints are that R.S.S. who are the technical tool are dictating to Intelligence instead of vice versa, and that the mobile units are unsatisfactory both on the technical and personnel side.

July 23rd

I had a talk with Curry about the D.O.C.E. meeting. He agrees with me that the setting up of a new directorate is wrong.

I dined with Wren who is leaving tomorrow. He has I think seen everybody in the dept. who can be of use to him and he is taking back information on XX matters which he will hand to the F.B.I. He is very anxious to obtain the services of Mills and Miss Sherer.

July 24th

I had a talk with Marriott about the possible use of JUDE and GROBBEN as XX agents. JUDE is the Belgian who came here from Canada and joined the Belgian Air Force. He knew Father and had been approached in Belgium by HACKE. Although he knew that Father had also been approached by Hacke he never reported the fact. We therefore came to the conclusion that he could not be allowed to leave this country and would probably have to remain in internment for the duration. I had thought that possibly he might have gone back to Canada as a XX. GROBBEN is a reliable seaman who might have been employed if his case had not been bungled by the Navy at Gib. His mission was to go to America and then come back to England. He had been recruited at Genoa or Rotterdam. The Navy had pursued him from Gib. and picked him off a trawler in mid-ocean.

This fact would therefore be known to all the crew and reported back.

I went to see poor old Westgarth at the W.O. He has grown much thinner since I saw him many years ago. He is still struggling to get some scheme put into force which will lead to production of petrol in W.Africa. For some reason or other the mines dept. and the C.O. turn his scheme down. He has a pathetic belief in my powers for helping him on which matter I did my best to disillusion him.

I had a discussion with Victor, Currey, Miss Clay and Dick on Fifth Column. Victor's case was considered and we all agreed that it must go on. In the meantime Curry is writing a memo on the 5th column generally.

I dined with Lennox who was anxious to hear about my visit to U.S.A.

July 25th

Col. Allan came to see me about certain USAF diplomatic correspondence which was clearly being opened. This fact had been detected by the special examiners, owing to the crude way in which the work was being done. I thought at first it might be one of B.2 agents but this proved not to be the case. Allan is inclined to suspect somebody in the Post Office.

July 27th

Frost tells me that there is still no solution of the met. reports. I gather that the cypher has again been broken and that the same thing is going on.

The Iturralde enquiry came to nothing.

As regards pigeons, birds have been ^{again} sighted over the Scilly Isles, but there have been delays in getting the hawking party as the birds have had to be trained. It is hoped to get this going in the course of the next week or ten days.

A message put through by Peppermint via the bag in secret ink has been traced on a B.J. to Tokio where it has been the subject of discussion between the Germans and Japs.

Jock Whyte came to see me about the arrival of British subjects from the Peninsula. A large number of these people can hardly speak English. A good many of them come from occupied or unoccupied France, and are merely getting out, not from patriotic motives but because they think that conditions are getting somewhat severe. At present we rely on the S.C.O. to sort them out at the port. A certain proportion are told to report at Room 055 for further examination but do not always do so. A number of cases appear to be highly unsatisfactory. My own feeling is that we should have something equivalent

to the R.P.S. for British subjects. This would necessitate a new D.R. compelling them to report. If we had some hotel for the purpose they could be told to remain in residence there, though free to move about, until their examination had been satisfactorily concluded.

July 28th

I raised the question of the arrival of British subjects at the D.G.s meeting. Pilcher seemed rather doubtful about the prospects of anything in the nature of the R.P.S., which would be regarded as an infringement of the rights of a British citizen. Personally I think it is the only proper solution since without a decent set of records giving information about the various localities and showing conditions in which people have been able to get away, we have not very much to work on.

WARSCHAUER, an internee who was a director of a company called W.A.F., has confessed under interrogation by the Czechs that he was recruited by a member of the German Intelligence named SAUER. He came to notice through investigations into his company which was trying to exploit a microphone apparatus called Telfi. The Ministry of Supply had wished to employ this company, but we had objected on account of WARSCHAUER, Bergl, and the dubious Hungarian financier Svarvazy being connected with the firm.

Sir Herbert Williams was also mixed up in the whole business and was pressing the indispensibility of the service which this company could render. It turned out that the company had no useful function to perform whatsoever. Subsequently we searched WARSCHAUER's premises and found a number of letters of a somewhat dubious kind. It was quite clear that he had been in communication with Germany since the outbreak of war. He has now admitted that he was at one time in the hands of the Gestapo and that they passed him on to SAUER, who gave him instructions to come to this country in order to start up a business which would operate from here into Poland. The Manesmann Tube Co. notorious for its espionage activities in the past, were to act in some way as a cover. WARSCHAUER states that he destroyed his secret ink and instructions before leaving Berlin. Even now his story is not particularly convincing. We are inclined to think that he did intend to carry out espionage activities in this country, where he arrived short before the outbreak of war. It is difficult to say how far Bergl is implicated but one of the bottles which contained the ink was found at his apartment. WARSCHAUER is of Jewish extraction. Wiesner, the Czech, conducted the interrogation in a masterly way. WARSCHAUER had said that he had an engineering diploma. Wiesner tested him out and found that this was entirely untrue. WARSCHAUER then said that

he was an electrical engineer. This was also proved to be untrue. Having got him on the run Wiesner then set about him and got him to admit that letters that he had received from abroad were actually spy letters. He knew that they were from SAUER because the date was always the 27th of the month. Wiesner asked him why the 27th. He said that that was a lucky day on which he had won a lot of money at the casino. Wiesner then said: "If you do not speak the truth, you will be hanged on the 27th day of the month, you will hang for 27 days, when your body will be placed in a coffin and nailed down with 27 nails. I have seen hundreds of spies in the condemned cells. They have gone down on their knees to me and told me the whole story but it was then too late." This harangue had a miraculous effect. We have no intention of prosecuting WARSCHAUER but we are interested in getting the whole of his story, which is about the first of its kind, i.e. the long-term espionage case under commercial cover. Craufurd has at last been rewarded for his dogged persistence in pursuing these tedious cases.

Dick has gone down to Glenalmond to look into A.C.E. and is to be joined by Gibbs.

There has been an interesting B.J. which refers to the so-called TO Intelligence reports. These reports come from what is known as the German special organ in Spain. The special organ is under a German who has diplomatic cover but reports direct to

the O.K.W. and not through the Embassy. ALCAZAR de Velasco is the principal figure in this organisation which in our view is a poor one, mainly because it depends on Alcazar's mythical informants. We are fairly satisfied that he fabricates a good deal of the information which he palms off on the Germans and Japs for considerable sums. He is a low-class ex-bullfighter who has been put in by Suner as head of the Blange Political Press Bureau.

July 29th

On the ~~introduction~~ introduction of Mavrogordato, Harris, Superintendent of Police at Lagos, came to see me. He has been on sick leave and is anxious to get a job with us here or in West Africa. He might be suitable as an assistant D.S.O. there. I should say he was of average police intelligence. He had co-operated with S.O.E. in West Africa and seemed to have a high opinion of them. I think his enthusiasm was mainly due to the fact that he had taken part in the capture of the Italian ships at Fernando Po which was undoubtedly a good job. When I asked him about S.O.E.'s other activities he seemed rather at a loss. He said they did a good deal of propaganda. I asked where and what for but he did not seem to know!

I lunched with Curry and dined with T.A.R. On both occasions A.C.E. was almost the sole topic. Both of them seem dead against it and agree with me that the only solution is for Section V. to come up to S.J., to continue the Joint Planning Committee on the basis that we have the right to cover the whole field of counter-espionage, and to have a free exchange of files. I am convinced that if this is tried out for 3 months and the water is allowed to flow over us both, that nobody will know where the Security Service ends and Section V. begins.

July 30th

Dick has returned from Glenalmond. While he is still convinced that complete amalgamation is the real solution, he is so carried away with the enormous field of work on counter-espionage abroad which is so sparsely covered that he thinks we should accept A.C.E. with modifications. I told him that I was strongly opposed to a new directorate with its own funds, with all information relating to the German Intelligence system, and with power to plan and direct. In my view it would become another little oyster box, and the case workers would be starved, and be forced to work without necessary background. Moreover I do not see how he was going to get his views accepted within the organisation since he would only be covering half the world and would have over him Vivian, with no direct access to me to

to the D.G. While I had the greatest respect for Vivian and his work, I did feel that he was very inclined to listen to Felix and that owing to the difficulties that he had had with Dansey he had developed a system of over-canalising which prevented people from getting together about their problems. Moreover he had poured cold water on our original scheme which was to say the least very reasonable. Had the D.G. stuck to his guns I think we should have got it through since it was pointed out to C. both by D.B. and Pat Riley that if the case had gone to arbitration it would not have a leg to stand on. A.C.E. was obviously heavily over-loaded on the S.I.S. side. I was certain that my solution was the right one and should be tried out as a preliminary step for 3 months. Dick was afraid that it would not be accepted and that the whole project would therefore break down. Both Dick and Gibbs thought that there was nothing to prevent Section V. coming to London, and he says that many of the section officers felt that they are losing much in the country and are being by-passed by the P. Sections in Broadway. If therefore the majority are in agreement with Section V. coming to London, it seems to me that they should obviously be housed with their major clients at S.J. There need be no alteration in the chain of responsibility at any rate at first, and the point about

our having the right to plan in the foreign field has already been conceded. An exchange of files can harm nobody as long as they do not leave the custody of the department concerned. This seemed to be an unanswerable case.

We had a meeting today of R.S.S., with the Service representatives present. It was agreed that if a rush priority could be put on certain services this would meet their demands. T-R made a short speech about the particular services which seemed to have more operational content and were therefore important from the Service point of view. Felix arrived late, looking as black as thunder. We told him that T-R had given this information to the committee, to which he replied "I hope somebody took a stenographic minute, other than T-R himself". I did not reply to this but asked T-R to repeat what he had said at the beginning of the meeting. Dick tells me that Maltby and Felix had worked themselves into a frightful state on seeing on the Agenda that the secretary was to state the problem to the meeting. They had wished to ring me up and have this statement removed from the agenda. Dick persuaded them to do nothing of the kind, since it was just this kind of stupid suppression that made T-R break out in the wrong places. Eventually they reluctantly agreed. There had previously been a great fuss about the Service representatives being present, and in order to enable them to withdraw gracefully I had

arranged to take their item first on the agenda.

Grogan has put up a memo to me on port censorship. It is quite clear that the examination of the crews, the letters, documents, etc. before the ship leaves is to some extent a farce. Grogan has recommended that it should be tightened up but admits that it can never be anything like 100% effective. To my mind this is not a reason for not enforcing security measures to the utmost limit, since in this way we narrow the field of investigation.

July 31st

I had a talk with Stopford and Cecil about placing agents on board boats which ply on the main routes between this country and Ireland. The purpose is to discover whether any members of the crew are acting as couriers. I am sure this is important, since the obvious man to employ is someone who goes regularly by a fast route and has a specific job which will not arouse suspicion.

I saw Ran Antrim about a letter of his which had been handed over to the police by a Mrs. Broad. It had reached her by mistake, being intended for Mrs. BROAD who lived at No. 3 instead of No. 8 in the same street. Enclosed in the letter was a C.C.O. memo about smoke screen trials, marked secret. It seems that some pilfer-

ing has been going on and Mrs. BROAD who was Antrim's cook already had a reputation for stealing letters at her last place. Burt is investigating matters.

The D.G. has agreed to Stopford taking over B.L.A.(1) and to his working agents on the Irish boats. He is also going to have a look at the air ports.

August 1st

I have discussed A.C.E. with Gibbs, Curry T.A.R. and J.C. They all seem to be emphatically of my opinion.

Ernesto SIMOES, the ISOS character, has arrived at the R.P.S. It is intended that he should join the Percival aircraft factory at Luston. The R.P.S. were not told about him, in order to test the examiners. They reported that they were not satisfied with his story. At this stage they were let into the secret. SIMOES will be kept under observation at the factory for a time in order to see if he makes any contacts. We are also anxious to find out his cover address, and a strict censorship has therefore been laid on.

I talked to Ramsbotham about the formation of an American section to deal with all security and C-E problems. It needs a head of considerable standing. Theo would have been ideal. I am suggesting Pilcher, who I think would do it very well. Ramsbotham should come into the orbit of B.1 since at

present he is working in espionage cases without any background.

Five limpets have been removed from a cork ship in Gib. which had come from Seville.

Springbok had mentioned a man named Rudolfo BUENTE, cork merchant of Seville whom he had met at the Abwehr h.q. in Berlin. He was connected with Abteilung II. It seems quite likely that he may have been a party to the attempted sabotage.

August 2nd

There has been a long Ostro message about the Middle East giving our dispositions in detail. The service view is that it is 90% accurate and denotes a serious leakage.

Jones's organisation has put up quite a good performance during the last six months. Over 300 agents were recruited. Out of this number 12 are possible XXs, two have been taken on by the German Intelligence and are reflected in ISOS and one has got £70 out of the Japs in Lisbon with a promise of £150 a month and instructions to recruit a regular courier.

There has been a long telegram from Maunsell about the arrest of two German agents, EPPLER and SANSTEDE. Count ALMASSY started on an Abwehr Kommando expedition to southern Egypt in May last with the intention of dropping two agents at Assiut with W/T sets. This information which was

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obtained originally on ISOS, is confirmed by the capture of two I. Heer members of the Abwehr. ALMASSY unfortunately escaped. The agents EPPLER and SANSTEDT are both members of the Abwehr. Jenkins had been looking for them until the end of July when he discovered that two mysterious strangers were in touch with an Austrian employed at the Swedish Legation in Cairo. These two were arrested on July 25th and were found to be EPPLER and SANSTEDT. Twenty other local residents were arrested at the same time. EPPLER is an Arabic speaker and has been resident in Egypt. The Austrian employee of the Swiss Legation had to be kidnapped. Up to now there have been 50 arrests in connection with this case, 24 of whom have subsequently been released. EPPLER and SANSTEDT are proving communicative and providing useful information. Maunsell says that STELL-MACHER, an escapee from Zbv. 800 is on his way from Turkey to Egypt.

August 3rd

MANAZES has sent a letter to his sister by the letter shows signs of secret ink under violet ray.

I had a talk with Joe Archer. Our latest fighter, the Mosquito, is apparently capable of 425 mph at about 16,000 ft. and is probably the fastest thing in the air. There are several squadrons of Typhoons now in operation. They are I

believe in certain circumstances as good if not better than Spitfires and they are more heavily armed.

August 4th

There are indications that the Sicherheitsdienst are proposing to kidnap who is regarded by them as a traitor, owing to his attempts to escape from Lisbon to England.

The German S.S. at Tetuan have obtained a report from what they describe as a French military source that preparations for a British landing in Casablanca are now being made in the Brazilian ports.

The 3 saboteurs who landed by submarine on the coast of U.S.A. in June were, according to ISOS, trained and despatched from N. France. They spent some time in Paris shortly before their departure.

It has now been established that FRITZCHEN the British agent being trained by the Germans at Nantes for a parachute drop over this country is going under the name of CHAPMAN. He does not appear to be identical with CHAPMAN of S.OEE. who was captured some time ago.

At the D.G.s meeting I raised the question of a section to cover the whole of America.

At the moment there are a number of sec-

tions in the office who have a liaison with the Americans on a variety of subjects. It seemed to me necessary that somebody should co-ordinate the whole. The D.G. seemed to think that we should wait until we had seen certain American Security authorities. The worst feature of our American activities at the moment is that Ramsbotham is struggling with security liaison and is also trying to do American espionage cases outside the orbit of B. Division.

The P.M. has left for the Middle East or Moscow. Fleet St. is buzzing.

I had a discussion with the D.G. about W. Africa. Swinton has telegraphed that Lumbie of S.O.E. who has no particular qualifications as regards security and has only been in the Colony a fortnight, should act as our representative, and Haign-Wood as his deputy. D.G. does not propose to agree to this.

D.G. has agreed to take on Stopford, who will be in charge of Jones's section, placing seamen agents on board ships running to the peninsular and Eire and S. America.

The ink on MANEZES' letter cannot be brought up. An impression has been taken and further experiments are being made.

We had a meeting at Kinnaird House on the question of American security. It was

agreed that Sir Findlater Stewart should be asked to bring us together with the appropriate authorities.

I lunched with Vickery. He told me that Hill, the S.O.E. man in Moscow, had had a curious approach on the subject of two Russian agents who had been operating in Afghanistan. They had been kicked out and the Russians were seeking our assistance. In fact we knew all about these agents. They had been working for Subhas BOSE who wanted them to facilitate his journey to see Stalin in Moscow. Later however he decided that he liked Hitler better. The agents, who received quite a lot of money from German, helped him as far as possible and then reported the facts to Stalin. Subsequently they had fallen foul of the Afghanistan authorities. This is the first indication that the Russians desire any form of co-operation on intelligence lines. It followed a formal request by our minister in Kuibishev to notify us of any attempt by Subhas BOSE who was then in Berlin to get back to India, but whether there is anything to connect the two incidents is not certain.

Vickery is anxious to send as much information as possible about the German Abwehr to India. So far it has not shown its hand there.

At a meeting with C., the D.G. and Gibbs, N Nicholson and Howard, West Africa was discussed. It was agreed that we should

establish assistant D.S.O.s who, if we can get W.O. concurrence, should control the F.S.O.s in charge of the ports. These D.S.O.s would work in close co-operation with C's people. C. is sending out Herepath to control his various units in W. Africa. Swinton has apparently objected. C. proposes to ignore his objections. I do not hear very good accounts of Herepath and possibly Swinton is right.

I spoke to C. about a plan which John Senter had put to me for testing out the reliability of the Fighting French Forces at headquarters, which S.O.E. believe are unreliable in certain quarters. C. agreed provided he knew exactly what it is proposed to do.

There are 190 German Divisions, 7 Hungarian 11 Roumanian and 4 Italian on the Russian front. The Russians have removed large stocks of oil to Central Russia from the Caucasus and the development of new oil wells is being rushed. The loss of the Caucasus is only likely to be felt in May 1942.

August 5th

McCullum, M.P. for Western Argyll, an old friend of the D.G., called to see me today about the leakage of information at Inverary. He said that indiscretions of officers in the area were appalling. He proposed to see Duff and Desmond Morton.

Harker has seen Goddington about the leakage of information connected with the P.Ms visit to Moscow. It seems that the P.M. had a telephone conversation with the President before leaving.

Sneath came to see me about ARON and RITTER, who both need looking into. RITTER was formerly German Assistant M.A. in Paris and was brought over here with his mistress ALTHIUS from Switzerland at the beginning of the war. He had been one of Vansittart's informants, but as many of these were notoriously unreliable it is not altogether impossible that RITTER was double-crossing him. I told Sneath that I thought we should make a real effort to sift the case to the bottom and that the first step should be to obtain copies of all the reports that he had written to Van. We should then review these in the light of subsequent events.

Kenneth came to see me about the reorganisation of E.Division. A suggestion had been put forward for lumping north and south America together. Personally I think it might be some sense in this but quite definitely the section should be in B. and not E. The problem is a counter-espionage one and both north and south America are linked with Lisbon.

Dick tells me that from his conversations with Viv. and Felix he is quite sure that A.C.E. is conditional either on Section

remaining at Glenalmond or on their coming up to a separate house in London. Glenalmond is obviously hopeless and a separate house in London is little better. I am convinced that they must be in S.J.

I went over to see Codrington about the P.M. leakage. He seemed to think that he was in charge of the whole case and that he should call upon us to clear up certain points which were not within his jurisdiction. I told him it was difficult for us to operate unless we knew the full facts of the case. Did he know exactly what the P.M. had said to the President in his telephone conversation? He said that he did not but that he had been assured by one of the secretaries at Downing St. that no details were disclosed. I said that either the P.M. had intimated to the President that he was going to Moscow or the conversation would not have taken place. He might have said nothing which would have aroused the suspicion of the ordinary telephonist but he might just have said something which would disclose his movements to the informed listener. This coupled with a certain amount of W/T intelligence, i.e. telegrams going in Chef de Mission cypher from here to Moscow, Middle East or Washington would be quite sufficient. It was obvious that at this time, if the P.M. was moving he would probably be going either to the Middle East or Moscow. I asked Codrington to let me have a copy of his report.

I went with the D.G. to a meeting with Duff and Findlater Stewart on the co-operation with the Americans. Findlater undertook to stage a further meeting with the American security authorities. It seems to me that all we really require is that our RSLO should establish a liaison with an American Security Command Officer in the same way that we have a liaison with the British Security Command officer. The problems would be exactly similar and probably we should have the answers in our files to most of the American enquiries.

The Afghans are starting to collaborate with the Axis. They appear to be afraid of a coup d'etat by Amanullah supported by the Italians.

August 6th

There is a considerable stir in the Irish world owing to 29 priests and 3 nuns having been stripped at the port. The action had apparently been taken in accordance with the rule that anyone coming from enemy territory should be thoroughly searched. The priests and nuns had come from Rome. Joe Walsh and Dulanty appear to be up in arms. Orr has not made things better by severely cross-examining some of these priests at Room 055, and asking them if they were loyal to this country etc. He is within his rights but the incident is unfortunate.

I had a long discussion with Gibbs about W. Africa. We are quite convinced that the proper course is for us to take over the F.S.Os at ports and link them up with the Asst.D.S.O. in each colony, the whole to be under the control of Haigh-Wood.

August 7th

I have been asked to review the work of the Press Section. I have been through Tangye's reports. He seems to cover the ground required by most of the sections but he is spending a good deal of money. We must I think have a Press Section but I am bound to say I should feel better if someone else were running it. Tangye has nothing to offer the Press except drinks, lunches and dinners. It must therefore be accepted that in terms of a balance sheet we cannot really get value for money. We could of course employ somebody of a better type but I doubt whether he would take the trouble to get the information which we require and which can only be picked up in places like the bar at the Savoy.

Brock, Bacon and Cumming have been made Lt. Colonels.

I went to see Medhurst about Grimaldi. He agreed to leave him in B.I.A. I also told him that we were very anxious to get a full time Air Force man on the Twenty Committee. He said he would speak to Blackford.

August 8th

S.I.S. reports show that the Germans are trying to establish a line Leningrad-Moscow-Astrakhan. They will then divert forces to the Balkan area for an attack on Syria and probably the rear of our front in Egypt. This is to be combined with an attack by Rommel on the Suez Canal.

The Twenty Committee have devised a plan known as Assassin. The transmitter which we got some time ago on the "Arctic" and which we intended to use for strategic deception in bringing out the Tirpitz is now blown. We therefore intend to use the Iceland transmitter to inform the Germans that the "Arctic" was given away through the indiscretions of Tome the Danish Consul in Vigo, who was in fact responsible for the whole expedition. It is hoped that this will throw a spanner in the works in Spain.

August 10th

I saw Jock Whyte and told him that we were proposing to have snap S/W checks on Post Restante addresses commencing with Aberdeen owing to the Swedish Air Line, and then possibly trying Liverpool. The ordinary check on Post Restante has produced nothing. It may be that S/W writing is going on and that some of the addresses are being used as collecting centres.

Curry has written a memo on the 5th Column putting the whole question in its proper perspective. I feel that he should really co-ordinate all sections in the office which take a hand in 5th Column cases. These sections would be Aiken-Sneath, and Hobson-Scott, Jock Whyte, Denniston, Miss Weekes and indeed the Fascist section. The work of all these people is someone moribund and needs stimulating by someone with a full knowledge of the Abwehr and its functions. We must I think regard the whole situation in the light of a collapse on the Russian front, ourselves driven out of the Mediterranean and 200 German divisions brought back to the West. In such an eventuality how should we be feeling about the 60,000 enemy aliens at large in this country and other subversive bodies?

August 11th

The traffic of enemy agents to the western hemisphere is growing, according to ISOS. The case of Hans RUSER has now reached a further stage. Lisbon has told Berlin that RUSER has come into the open and informed the Dienststelle that he can no longer collaborate with the Abwehr. This decision had followed a meeting of important Spanish and German officials in Madrid. The Dienststelle had agreed to accept his decision but could only do so if he were released from his military obligations. RUSER agreed to go to Berlin and arrangements have been made to take him into safe cus-

today as soon as he arrives.

The German observation service in the Straits now seems to be in full working order and records the movements of ships at all time sof the day and night. During the hours of darkness the detection apparatus records the speed, size and number of passing vessels and whenever possible more exact details are filled in later by visual observation.

The Germans are continuing to make efforts to get a detailed photographic survey of Gib.

FRITZCHEN is to carry a captured British W/T set.

Information has been received from the Admiralty that when a U-boat was recently sunk in the Mediterranean, the crew and one alleged Lebanese were picked up. The latter stated he left Mersem for Beyrouth with a small sailing craft which fell in with a northerly gale and after the twentieth day he was rescued unconscious by a U-boat, apparently the sole survivor. He had in his possession \$3,500 and £450 also some small amounts in Turkish and Egyptian currency.

The Belgian spy called WINTWER has been caught by the RPS unaided. They were suspicious about his story and eventually broke him down. He has nw confessed. He

was not carrying secret ink but was to purchase his materials at a chemist shop. It seems that owing to the publication of details in the case of TIMVERMANN the Germans have now realised that the carrying of secret ink material even though disguised as medicine, is likely to be highly compromising. They are therefore being forced back on to simpler methods.

I have put forward Dick's report on A.C.E. He gives an extremely good analysis of the work being done at Glenalmond and its relation to our work and that of other departments. He is so carried away by the large field which is virtually uncovered that he thinks that almost any sacrifice is worth while in the national interest. He therefore thinks that we should accept A.C.E. with modifications. Personally I do not agree and have said so. I have recommended that Section V. should come upto S.J., and that Viv and myself, Dick and Felix should form a Planning and Organising Committee with a right to operate in the whole field of C.E and that there should be an exchange of files between all sections on the understanding that they do not leave the custody of the department which owns them. I am certain that this would solve 98% of the problem. Dick thinks that if we make this demand the whole project will founder. Personally I think our case is unanswerable. At S.I.S.'s request Dick, Gibbs and Horrocks have examined the position at Glenalmond. They are all agreed that Section V. can

move to London without dislocation and in fact with considerable advantages to themselves irrespective of the work they do for us. They are supported in this view by the majority of section officers working in Section V. but not by Felix and Vivian. If therefore there is a majority view that they could come to London with advantage both to themselves and ourselves, they should clearly for convenience be housed in the closest proximity to their major clients, the Security Service. They are not being asked to relinquish anything and the chains of responsibility will remain the same at any rate for 3 months until everyone can see more clearly what shape the new organisation should take or indeed whether anything further is needed at all.

Victor wants to send someone to U.S.A. in order to discuss the case of the 8 saboteurs, 6 of whom have been condemned to death and 2 reprieved. I think he could do this with considerable advantage, and the D.G. has finally agreed, provided S.I.S. are also in agreement.

D.G. has written a letter to Codrington about the P.M. leakage, asking for the fullest possible details and pointing out that matters of this sort come within his jurisdiction. It is impossible for him to conduct enquiries unless he knows the full facts and Codrington in any case has no powers. D.G. has also written to Sir Edward Bridges.

Maunsell writes that the S.O.E. representative in Palestine has just been sacked for arming the Hagana. The Hagana is the secret military organisation of the Zionist movement. They were formed to deal with the Arabs but I suppose that S.O.E. imagine that they can be effectively used against the Germans.

A man called Oliver GREEN was arrested in May for forging petrol coupons. When his premises were searched it was found that he had a dark room, and an exposed film of M.I. documents. These documents related to information that we had obtained regarding the German military machine, its weapons etc. GREEN has been interrogated by Shillito in prison. At first he contended that this was a film which had been sold to him as unexposed and which he had subsequently found was used. He denied ever taking the photographs himself. Enquiries with local chemists shops had shown that this statement was probably untrue and on the face of it it seemed extremely unlikely. GREEN finally admitted that he was a Soviet agent. He then said that he had been recruited in Spain and asked to spy against the Fascists. He consented to do this but the suggestion was not followed up. Instead he was taken to an hotel where he met a man whom he took to be Russian. This man asked him if he was prepared to do espionage work in England for the U.S.S.R. When GREEN

accepted he was given £40 in dollar bills and told to find his way back to this country. He was told where and when he would be contacted after arrival. For the first 12 months after his arrival in England he was not called upon to do anything. After another year he was again approached and told to take a flat, to construct a dark room and buy a Leica camera. Early in 1939 he began what he described as his organisational work which apparently consisted of building up agents and contacts. When this machinery was eventually completed before the outbreak of war he was told to collect political information, that is to say representative opinions of every class of English society. After the fall of France two new considerations became important (a) it was possible that England might be invaded successfully in which case the organisation would be used for collecting military information about the German Army (b) it was thought that a Fascist Government might arise in England which would declare war on the U.S.S.R. The main interest in his whole story is perhaps his statement that between 5 and 6 months before the German attack on Russia he had instructions to turn over his organisation to the collection from British sources of information concerning German armaments and troop concentrations. His main source of information appears to have been Intelligence Summaries. He said that of course he would pass on anything regarding British arma-

ments which seemed of interest but that the "Russians" prior interest was in German not English military information. Most of his agents worked for ideological reasons since those who worked for money were considered unreliable. Enquiries are being made about various names and addresses found in his notebook. It is remarkable that the whole set up of this organisation is exactly similar to the one in the Miss X. case. GREEN is of course a Communist and has been known to us for some considerable time. In 1938 M. reported that he was employed in certain highly secret work the nature of which was not then apparent. He has got 15 months imprisonment for forging coupons and now tells us that he did so in order that he could use his car to make contact with his agents. Ideologically he is a curious character and not altogether unlikeable.

August 12th

Burt has told me about his visit with Cussen to see the P.M.'s Swedish cook, who had clearly told a friend that that the P.M. went on a journey. Codrington and Bevir of the P.M.'s office were both present and interfered to such a degree that both Burt and Cussen had to register a protest. They neither of them have the slightest experience in these matters and should keep out. They made Burt's task extremely difficult but he was eventually successful in getting at the

true facts. Codrington had previously talked to the Cook very foolishly as a result of which she had blabbed to her contact and her contact to someone else and the whole ground was fouled. I am rather glad in a way as it will teach Codrington a lesson in future.

Rogers, one of the F.S.O.s at Freetown, came to see the D.G. today. Having gained full experience of the port and of the work there he has been sent home in accordance with the statutory W.O. rule that nobody should reside in W. Africa for more than a year. His place has been taken by a raw recruit, without any previous experience of the colony. Rogers entirely agrees that our suggestion about Asst. D.S.O.s in each colony is the only right one and he would be prepared to go back as our officer. He thinks that all the F.S.O. jobs should be in our hands and not in those of the G.O.C.

August 13th

Mutt and Jeff have prepared a new sabotage act. Home Forces have passed a plan to make a fire at a camp near Barton Mills in Suffolk. This operation is being carried out in conjunction with S.O.E.

Peppermint is being summoned back to Madrid in September.

Lucas who was connected with the Victoire case is said to have been captured and

sent to Berlin for interrogation.

Sweet William has terminated his employment at the Spanish Embassy and has signed an undertaking that he will have no further contact with any member of the Spanish Embassy or colony in England.

We had an R.S.S. meeting today. I asked Page of G.C. & C.S. for his comments on the recent ISOS message indicating that the Germans considered that certain Abwehr cyphers were being read. He agreed that the evidence pointed to the Germans possibly having got into our cyphers, in which we had been issuing instructions on ISOS material. The Germans had been instructed to change over soon to some other basic book, but although these instructions had been given 5 days previously they were still continuing with the old books. The area affected seemed to be Spain. It was agreed that we should reserve judgment until some change actually took place.

revealed that Section V. had sent certain instructions to Las Palmas based on ISOS and that their cypher was not a one-time table. He said however that Section V. messages were so worded as not to disclose the source.

Wick and I lunched with Lewis who has now been made A.D.N.I. He is anxious about deception work in Gib. in connection with Operation Torch. The position at present is that neither VACNA nor

698

the Governor have any idea as to what is going on although all sorts of landing craft, personnel, etc. were arriving at Gib. They are telegraphing a protest. Somebody is to go to Gib. and explain the plan. We will then get Medlam back and put him thoroughly in the picture. I thought it was desirable that Medlam should report back in order that we might know exactly through what channels he is proposing to place the deception.

I went to Blenheim this afternoon and attended the S.C.O.s meeting. I put myself up to be shot at. Brown of Glasgow complained that he did not get sufficient background. His officers found it extremely difficult to conduct interrogations without knowing more about what they should look for. I said that I thought he would be likely to get the best assistance from the RPS where the second stage of the enquiry was conducted and recommended that as many S.C.O.s and their sub-ordinates as possible should do a course there. We would also try and send down more people to give lectures.

I remained on at Blenheim for the S.C.O.s dinner when I had long conversations until after midnight with MacPhail, Clayton Brown etc. I am quite clear that the main trouble is the bottle-neck of D.4. If the various sections of B. Division were communicate direct with S.C.O.s, the

the S.C.O.s on coming to London would see the officers concerned and consult them about the cases. In that way there would be a mutual exchange and the S.C.O.s would feel far more in the picture. D.4 should really do no more than Regional Control, namely look after administration and policy. The S.C.O.s that I spoke to were unanimous about this but they all realise that old Socrates is the nigger in the wood pile. I explained to those who complained that they never heard about the cases they sent up, that 99% of them led to nothing. This was no reflection on themselves but inherent in our work. As regards the 1% they would only get their information by direct contact, since in dealing with a case sent up by the S.C.O. there was never any specific moment at which one could say that the enquiry was complete and the S.C.O. could be given the final result. The consequence was that human nature being what it is they never heard it.

August 14th

I arrived back from Blenheim at midday after having seen Jock Whyte's section. I told the D.G. what I thought about S.C.O.s and D.4 but I do not think that anything will be done. Old Socrates is to be promoted full Colonel and be given a larger measure of independence. He will I presume bring his problems direct to the D.G. instead of passing them through Harry Allen.

I lunched with Curry. The D.G. has decided to give him Aiken-Sneath for his Research Section. Curry does not really want Aiken-Sneath but sees that if he can get him into Research he himself may eventually be able to slide out into B. Division. My plan is to co-ordinate the Fifth Column Sections in the office and I have made a recommendation to this effect.

Senter came to see me and brought with him an interesting document which had been extracted from the kit of one of the Russian parachutists sent over here who was to be dropped in Europe. These people had come over by arrangement between Hill of S. S.O.E. in Moscow and the OGPU. It is a remarkable fact that Hill who formerly spied for us in Russia and wrote a book about it, was acceptable to the Soviet authorities. The people sent over here appear to us to be of a pretty low mentality and our efforts to get them dropped have on the whole been somewhat disastrous. An aeroplane carrying two had to return owing to bad weather conditions and crashed on landing. All the occupants were killed. Another one was destined for Vienna which under any conditions was an extremely hazardous flight. One of our best Wing Commanders insisted on doing the job himself and has never been heard of again. The document which Senter left with me contained the following addresses with which the agents were evidently to make contact: Mme. Marie

Jeanne COMPERE, 56 Avenue Charles Quint, Ganshoren, the agent was to say that he was sent by Jacques and knew the son Pierre Gaston who was at one time in Spain. Another address was OTTEN, 112 Avenue Laura, Berchen. The agent was to call himself DELSTRANCHE and give greetings from Irene. The third address was that of Marcelle LEROY, 1 rue de l'Aurore ?Brussels. This woman may be identical with a Marcelle LEBOY mentioned in Inpre-corr as attending some Communist meeting in 1936 in connection with the Spanish War. The fourth address was that of Stig LINDAL, "ondegarten 60, Stockholm. The sender of a letter could give any name in writing to this address and should congratulate LINDAL in French on his birthday. Senter told me that NOVIKOFF at the Soviet Embassy is Maisky's master and Stalin's personal representative. There is also here a Col. Tchitchayev who is in charge of the parachutists. He has got it into his head that Gen. Lakin is head of the Secret Service, and arranged a luncheon party with him at Claridges. As they could not get a private room there they lunched alone in the middle of the ball room.

Tangye has had a visit from Harker which seems to have upset him. Harker took up a rather hectoring attitude.

D.G. wants to send my American report to C. and Duff with a covering letter recommending that the proposal for representation

by Stephenson of our interests as well as those of S.I.S., not to speak of S.O.E. should be put into force. and that we should correspond direct with Stephenson instead of through Felix and Broadway.

There have been great difficulties with the Yugoslavs regarding one TERPCOVITCH who on being recalled to this country on account of his dubious pro-German activities in Lisbon, committed suicide on the eve of his departure. TERPKOVITCH had been stopping agents reports from Yugoslavia and it was suspected that he had been passing them to the Germans. Certain individuals in the Yugoslav Legation have consistently been opposed to any action against TERPKOVITCH and they are now trying to get out to Lisbon in order to hush the whole thing up. They are all fighting amongst themselves and I should say that there are not more than one or two who can even partially be trusted. They have no Zeme Bureau here with which anyone can make contact with any degree of safety. In our view they should be refused all communication in cypher or by diplomatic bag until the situation is cleared up.

I dined with D.B. and told him about my recommendations for the future of A.C.E. He agreed with me and said that he would talk to C. He also told me about Pilkington of the special examiners in censorship who has had a row and is obviously unsuited for his job. D.B. wants Gibbs to take it

over. I said we had earmarked Gibbs for colonial work and he was extremely useful to us in many other ways. I would however consider the matter when Dick returned.

Lennox has told me about the convoy to Malta. Three ships have got in and two others which have been damaged may eventually arrive. 9 ships were sunk, two cruisers have also been sunk and two damaged. Two destroyers are damaged. We have rammed two submarines and probably two others have been sunk. We have also put torpedoes into two Italian 8" cruisers, which were returning to their base. The Wops came out in force but as soon as a few rounds were fired at them they turned round and ran back. The submarine which had been sent specially to intercept them. The aircraft carrier Eagle was sunk and another one was damaged. Curiously enough the authorities do not regard these losses as very serious in the circumstances. They had reckoned on something like 70% as the proportion as the operation was clearly an extremely dangerous one. 36 planes have been released from one of our aircraft carriers and landed safely in Malta. Their mission was to protect the ships while they were unloading.

August 15th

I saw Archie Doyle with T.A.R., Senter and Lionel Hale. We agreed that on matters of deception it was desirable to persuade the

Controller to set up a small committee consisting of T.A.R., Lionel Hale for S.O.E. Montagu for the services and someone from S.I.S. T.A.R. will take this matter up with Bevan.

D.D. rang me up to say that he had spoken to Stewart about A.C.E. and on the whole he was favourable to my suggestion. They were obviously thinking of how they were going to put it across Cowgill.

Nash came in to see me. He is one of our S.C.O.s and is to go as Security Officer to the Bahamas. I doubt whether the Duke of Windsor will like the look of him. A nice fellow but not very exciting.

Curry has got an idea that we should endeavour through T.A.R.'s organisation and other channels to embroil the Sicherheitsdienst with the Abwehr. There are of course already signs that the two organisations have their differences from time to time.

August 17th

I spent the day at Barnet. Frost has two complaints against R.S.S. Firstly he thinks they should be regarded as the technical tool as is laid down in the book, and should be guided by Intelligence. As things are at present, they appear to act solely on their own initiative, if indeed they act at all. G-P is apparently representing

S.I.S. on the Y. Committee although he knows nothing about intelligence matters. We have no representation, although the work of the G.C. & C.S. in so far as it affects interception of telegrams leaving this country is of the greatest importance to us. His second complaint is that the mobile units are unsatisfactory both technically and as regards personnel. He recommends that as most if not all of their functions are performed on behalf of ourselves, we should take them over. I had a talk with Walker about pigeons. There are endless disputes going on between the Army and Air Force as to the feeding of some 2 million pigeons in this country. I believe that it takes 5 ships a year coming from Tasmania to keep these pigeons alive and certain vested interests appear to be playing a part. It seems desirable that any of these birds not required for service purposes should be destroyed.

August 13th

At the D.G.s meeting I asked about the position of M.I.5 in relation to the Second Front. It struck me that while the F.S.P and I.B. units might well deal with the situation up to the first 50 miles, there would come a time when we might well have to function on the continent or elsewhere. It might therefore be well to ascertain exactly what our functions would be. I also asked about the

formation of an American section. The D.G. decided to await a conference with Gen. McClure which is to take place shortly. Gen. McClure is in charge of American security.

Burt spoke to me about Antrim's case. He thinks there should be a prosecution of Mrs. BROAD in whose possession has been found a large number of compromising documents, some referring to private affairs and others to military matters. These documents are the property of Antrim and Lady Diana Bridgeman.

The D.G. has today sent off a letter to C. forwarding a copy of my report on America and suggested that we should have representation in the person of Stephenson or Wren or independently.

Cussen is seeing Duff-Cooper on the P.M. leakage. The D.G. has written a criticism of Codrington's note on certain lines which I have suggested. There is still much that is not clear.

There has been an unfortunate incident in connection with the case of Erland ECHLIN, the Canadian journalist interned under 18B. U.35 had reported that he was in regular receipt of £30 a month from the German Embassy in 1937 or 1938, and in putting forward the case we had said that this was confirmed by the examination of ECHLIN's passbook. We had intercepted a letter from the bank showing an entry

which looked like £80. In fact 80 was the number of the cheque which was for the sum of £3. odd. The Advisory Committee examined the passbook and found no entry. They wanted to know on what our information was based. As the Advisory Committee are only too ready to pick holes in our cases, I thought it advisable to try and get Noakes, who knew Cockburn, and explain to him how the mistake arose. Cockburn seemed to be satisfied and friendly but he is going to recommend release. This is I think a bad case, since only within the last week we have obtained definite information that even Freddie Kuh thinks that ECHLIN's case is not worth his support. ECHLIN is still an admirer of Hitler.

Tangye says that Gordon West of "Inside Information" wishes to put in a para about the P.M. leakage. He wants to say that the whole question is occupying serious attention of the authorities and to ask all those who heard about the P.M.s visit prior to August 1st to write to the Daily Sketch. Tangye has told him that we have no objection to his saying that the matter was the subject of enquiry but that we did not wish anything said about the 1st August. The Daily Sketch is complying with our wishes.

The D.G. has drafted a letter to C. which rather fills me with horror. It seems to me to be right off the rails.

Montague has drafted a note on deception which he wishes to be approved by the W. Board for sending to the Americans. It gives away the whole of our network. The purpose is to get the Services to see the value of the XX system and urge the F.D.I. to greater activity, but I am inclined to think that it may go a little too far.

August 19th

I attended a meeting at Kinnaird House on neutral missions to this country. Both military and civilian missions were discussed. The D.G. took the view that many of these missions, particularly those of journalists, served no useful purpose. I said that whether they did or did not, it was essential that the departments concerned should realise that anything that they saw or heard would either directly or indirectly reach the enemy. It was decided after a bit of a fight by the M.O.I. and F.O. that in future the Chairman should be notified about any such missions before we were in any way committed to their visit.

I took the weekly meeting. There have been certain difficulties about getting SIMOES' employment at the aircraft factory at Luton. Everybody seems to be highly suspicious about having an alien which is to say the least a good sign. These difficulties we have overcome. I told the meeting that we were considering M.I.5s duties in the event of a second front. Victor

thought it was particularly necessary that something should be done about sabotage since ISOS shows quite clearly that the Germans intend to leave saboteurs behind. Another letter from MANESES has been seen. It has been decided to let it go on after taking an impression and to attempt to get a sample of ink from his lodgings. There is no doubt that S/W is being used but unfortunately we cannot bring it up. It shows up very sketchily under violet ray but it is not responsive to any reagent.

Gibbs and I have redrafted the D.G.'s memo on the subject of A.C.E. He had wanted to make a beginning by putting 4 representatives from each side in one room. They were to receive all the telegrams relating to counter-espionage from Section V. and from B. Division, though what would have happened after that I hardly dare to think. He seemed to think that he and I were seeing eye to eye, whereas our views were diametrically opposed. Eventually we redrafted the letter suggesting (a) that Section V. should come up to London and be housed at S.F. and (b) that I, V.V., Felix and Dick should constitute a planning committee in the whole field of counter-espionage and (c) that files should be exchanged provided they did not technically leave the custody of either department. Chains of responsibility should remain as they are at present. The D.G. has accepted this view.

Jim Hale has succeeded in breaking down SCOTT-FORD who confessed that he was known to the Germans as RUTHERFORD. On his last voyage from this country he was interrogated on the basis of ISOS with other members of the crew. He volunteered the information that he had been approached by the Germans who had said that he had told them nothing. On this occasion he was again interrogated and admitted that he had told the Germans about certain ships which had been sunk in a convoy. He had also given them other information. He was stupid enough to carry on him documents giving full details of the course of the convoy and it was his intention to hand this document over to the Germans on his next visit to Lisbon. For some reason or other he thought that the worst that could happen to him would be internment. He little knows that there is a clear case against him under the Treachery Act, based on his own statement and on the documents found in his possession. He has talked vaguely about other people being connected with the same game. He is clearly extremely conceited. His hobby seems to be women. He was contacted in Lisbon by the Germans at some cafe and got into the hands of prostitutes who were obviously being paid by the German I.S. to pick up recruits.

Major Strangeways came to see me today. He is going for the Controller of Deception to Gib. where he will disclose Torch to

the G.O.C. and VACNA. He will also tell Medlam. I have asked him to arrange for Medlam's return to this country for consultation as soon as the G.O.C. has been put in the picture.

August 20th

The D.G. summoned me, Marriott and Masterman to discuss the memo by Montagu on deception which it was proposed should be sent to America. The D.G. seemed to be extremely annoyed that Montagu should have written such a memo. I tried to explain to him that we applied for the Service representatives on the XX Committee to be given whole time and that deception was of course their main interest. It therefore seemed difficult to say that Montague could not put pen to paper on this subject in his own office. D.G. was quite emphatic that the document should not go. It was no good trying to explain to him what the purpose was. I would have suggested that if the documents had been sent at all it should have gone to Security Co-Ordination and only released after we had been given full details as to how it would be disposed of. I quite realised that there would have been a considerable risk. On the other hand we have got to get the Americans educated in the value of the XX system since we should become more and more dependent on their co-operation. They have already made a mess of the case of Tricycle through ignorance and in this country we already

412
have to get their approval for our traffic since the point has been reached where we cannot any longer continue saying that we have not seen an American soldier. The place is swarming with them. I saw Montagu later and told him what had happened. He is informing the D.M.I. with whom we were to have had a meeting.

I saw Hale about SCOTT-FORD, to decide whether Cussen or the local police should take the usual statement. It was eventually decided that this matter should be left to the local police who seemed to have SCOTT-FORD WELL IN HAND.

I have given the D.G. his re-drafted letter about A.C.E. He is now doubting the advisability of bring up the whole of Section V. He thinks that only selected sections or a representative body should come up. I said that from the point of view of Section V. I thought this was open to criticism. They would rather naturally say that it must be all or nothing. I should have preferred to have said all, and left it to them to make other suggestions but the D.G. thought otherwise.

Special material indicates that the Pasha may be transmitting from Luppitt over the weekend. Frost has rung up to say that G.P., plastered with red tabs, is proposing to go down to Luppitt in a Packhard car to see that all machinery is in working order. This will of course blow the whole gaff. I spoke to C. as a result of which

it seems that G.P. will make a somewhat less spectacular entrance into Luppitt, a village where anything unusual is immediately the subject of gossip.

I had a discussion with Stopford and Kenneth about the part which W. Division can play in Stopford's work. Cheney of the seamen's section will obviously be of great value to him.

There is a suggestion that Ernie Allnutt should take over Lothian's work as well as his own in order to release Lothian for the Scottish Region.

I dined with D.G., Duff, Lord Selborn, Keswick I think of S.O.E., and Sir William Wiseman. The latter had just arrived here from the States. Conversation was of a general kind. Wiseman seemed to take quite sound views about America. He was obviously fully au fait with all Stephenson's work and difficulties. He said that the Americans were making a frightful bungle of their business relations with South America. Instead of buying up the enemy business in a quiet and unobtrusive way they were taking over firms and plastering the place with the stars and stripes. This was doing them a good deal of harm. Wiseman did not think that we were running any risk of losing our business connections in S. America after the war. He thought we would be welcomed back.

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FATHER took part in the Dieppe raid on the 18th. As far as we know he is all right. The operation seems to have been somewhat costly but doubtless valuable experience has been gained.

Mutt and Jeff are to carry out an act of sabotage which is being carefully planned in conjunction with S.O.E.

August 21st

We have just had a teleprinter message from S.I.S. to say that Walter Hince, and Kimball are arriving here "at the invitation of M.I.5". We have been asked to make the necessary arrangements for their reception. I do not quite understand what this means, unless it is the result of a general invitation which I gave when I was in Washington. In any case we shall be very pleased to see them.

An 10B order has been taken out against SCOTTFORD.

The D.G. has settled on the final draft of the A.C.E. letter to C. He is sticking to his point about bringing up certain sections or a representative body.

Lennox tells me that 400 Canadians surrendered at Dieppe. The exact circumstances are not known. It seems that they found themselves ambushed. We got 50 prisoners. 25 of our tanks were destroyed and the

regarded as having been fairly successful and a valuable experience. Our casualties were roughly 30-40%. There was a complete shambles at Portsmouth on the return of the Commandos.

August 22nd

I had an interview with the Manchester Police on the case of SCOTT-FORD, who has been brought down to Brixton. We have a full statement under caution. It had been thought possible that we might perhaps send back a D.A. on SCOTT-FORD's boat with the copies of Janes Fighting Ships and Janes Aircraft which SCOTT-FORD had been asked to procure. Ultimately it was decided to take no action on these lines but to try and find out what the reactions were in Lisbon to SCOTT-FORD's removal.

I had a word with C. about A.C.E. He was rather upset by certain parts in the D.G.'s letter. I calmed him down as best I could by saying that the D.G. had got the impression that there were certain facts in connection with the work of Section V about which he was not fully acquainted. He thought therefore that he ought to mention them. He agreed that the D.G. had no ulterior motive but was completely honest of purpose and without any sort of ambition. His sole idea was to get the job done as efficiently as possible. C. agrees with our recommendations subject to anything that Vivian or Felix may have to say.

I told him that I had originally suggested that the whole of Section V. should come up but that this had been modified by the D.G.

The D.G. asked me to talk to him about West Africa, in view of the arrival of Hutcheson of O.S.S. who had a mandate from the American Chiefs of Staff to carry on C.E. work in W. Africa. Neither we nor C. can make out exactly what he is going to do, unless he occupies himself solely with security questions within the American forces. A suggestion on these lines is being sent to Haigh-Wood and Swinton.

Hart, Montague and I had a discussion about PRYNNE, the wireless operator on the Shetland. ISOS seems to point to him as being responsible for convoy leakages in Lisbon. We had intended that he should be given shore leave during which time we would have kept him under observation. Marconi's now say that he could not plausibly be given shore leave. If therefore he signed off he would be suspicious and we should get nothing out of the observation. It seems therefore that he should go back and be observed both on board and in Lisbon by one of Stopford's agents.

We asked Montague whether the Admiralty would be prepared to take the risk. Montague ascertained that PRYNNE could not possibly use his wireless set to disclose the whereabouts of the convoy without being detected. The only other point to be cleared up was the possibility of his

seeing convoys or troop movements which he could report in Lisbon. It was ascertained that he would see troop movements but that by the time he reached Lisbon they would be out of danger. It was therefore decided to let him go.

Cass tells me that an attack in Libya is expected about the 26th.

Auchinlech is apparently to command the 10th Army in Persia and Iraq. Alexander is to command in Egypt, Palestine and Syria, Wavell to remain in command in India.

August 23rd

Brazil declared war on Germany.

I had a talk with D.B. about the A.C.E. plan. Felix, who has seen the D.G.'s letter wants to see the reports by Dick, Gibbs and Horrocks. Spoke to the D.G. who said that he could have Part I of Dick's report but that Part II was personal to himself. I have had to make amendments in some passages of Gibbs' report as they contained personal references to Dansey. I am however leaving all those parts which make it clear that sections working under Dansey give no help or assistance to Section V. The worst example is perhaps Switzerland. Most that Section V. get is a request by bag from Switzerland for certain C.E. information to which they are allowed to reply by bag. It seems extraordinary that this country which is by tradition and

practice a centre of German espionage should be practically a terra incognita to Section V. and incidentally to ourselves. I wonder how long Dansey is going to be tolerated. He seems to be the nigger in almost every wood pile.

August 24th

Dick has returned. He is rather depressed about the D.G.s letter re A.C.E.

Walter Bell has arrived, but the Americans are still in bed.

Gibbs has talked to me about Overseas Control. It is quite clear that we should all be far better off if Jelf and Plowman retired gracefully. Gibbs is not angling for the position but I am certain that he could take over the whole business, probably with the assistance of Clayton, who is the only person in Overseas Control doing a really useful job of work. I also had a talk with Gibbs about Room 58 at the Censorship. Pilkington is to go and D.B. is anxious to get Gibbs to take over his job. Gibbs has no desire to do so and I have no wish to let him go. We propose however to say to D.B. that we would be very ready for Gibbs to give Pilkington's successor any advice or help that he can, and that if Gibbs in connection with his colonial work is visiting any censorship points he should act both for the Security Service and S.I.S.

Gibbs tells me that Muggeridge, S.I.C. man at Lourenco Marques, has done an extremely good job of work. The real menace there is CAMPINI the Italian Consul, who is communicating regularly the movements of ships to his government. He is now trying to get a wireless set with which to communicate direct to Tokyo. One of his principal agents was a Greek named SERAFAMIDES. An agent of Muggeridge succeeded in getting this man on to his ship on the grounds that they were both engaged in a plot to help German submarines. The skipper then placed SERAFAMIDES in irons and handed him over to the police in Durban. We are trying to get this man back to England as he may form the basis of a case against CAMPINI. If he confesses we might induce the F.O. to press the Portuguese Govt. to close down the Italian Consulate or to declare CAMPINI persona non grata. A telegram has been sent to Webster in this sense.

I saw Senter and Gillson about two S.O.E. cases, one that of a man called O'DWYER who has left S.O.E. and is fulminating against them, and the other about a Mrs. BOSVILE, who is talking freely about S.O.E. work and personnel.

I dined with Dick and T.A.R.. We are all suffering from A.C.E. disease, and decided that a bottle of champagne as a cure.

It has been decided to send SCOTT-FORD to

Camp 020

August 25th

I had a meeting with Adam, Stopford and Haywood to discuss Stopford's work and the planting of agents on ships. It was decided that a list of these agents should be given to Adam but not to SCOs. Agents would be instructed to respond to ordinary interrogation by S.C.O.s but not to give them any details about their special work or in fact to disclose that they were working for anybody. We also discuss the placing of agents on Eire boats in similar conditions. The purpose of these agents is to carry out observation on members of the crew both on the boat and while ashore.

Kimball came to see me. He told me that before leaving America he had spent two hours with Hoover and Tamm, and was given a mandate to discuss the affairs of his department with me and to explain Mr. Hoover's grievances. The real cause of the trouble is this. When American came into the war Stephenson handed over all the agents that he had been running with the connivance of the American authorities to Donovan instead of to Hoover in whose area they were operating. Worse than this, he had been running some of these agents since the outbreak of war on Donovan's behalf. Kimball said that the F.B.I. knew all about this. In particular he mentioned an agent who had been trying to get information from the Spanish Embassy in Washington. This

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agent reported regularly to the F.B.I. and told them exactly what Security Co-ordination wanted. Mr. Hoover could not understand why this sort of thing still went on. If Stephenson wanted to know anything about what was going on in the Spanish Embassy he had only to ask.

The
F.B.I. had succeeded in obtaining a most interesting document. The nature of this document was not divulged to me

Security Co-Ordination have also been after this document. I was already aware that something of the kind was going on since Wren spoke to me about the activities of Pepper and Ingram Frazer in this connection. Mr. Hoover wanted to have a direct liaison with us, and if possible to cut out Security Co-Ordination. I explained to Kimball that we were making certain moves in this direction, that we had nothing to hide and would be glad to have a complete exchange with the F.B.I. There were however certain sources of information to which we had access but which we were not at liberty to disclose without the concurrence of S.I.S. I undertook to see what could be done to improve the situation. Kimball then told me that they had had an extremely interesting case in the U.S.A. The Swedish M.A. and the Asst. M.A. had

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compiled a document which contained full particulars of all the American Forces throughout the world. These particulars were correct in every detail. They had handed these documents to a Swedish woman to take them back to Stockholm by air. The woman has been arrested. Kimball sketched out his programme. He was anxious for information about XX agents, sabotage, the refugee problem, aliens registration, call-up regulations etc. passports and visas, S.B. activities. I said that we would give him everything he wanted to have and I proposed that he should visit a port, a region, R.P.S. and Camp 20 besides seeing all our specialists.

D.N.I. has written a letter to all members of the W.Beard stating that he thinks that the Chairman of the Twenty Committee should be Bevan who is in closer touch with the requirements of the Chiefs of Staff. Once more he seems to have forgotten that our D.A.network was set up primarily for counter-espionage purposes and that deception is merely a side-line. In any case Bevan is a member of the Committee and T.A.R. is in constant touch with him. I propose to consult the D.M.I. J.C. is rather worried about this suggestion and thinks that either I or T.A.R. should take over the Twenty Committee. I said that I did not see how this would meet the D.N.I. point which in any case was a ridiculous one.

FATHER has got back from Dieppe unscathed.

TRICYCLE has told the Germans that he is trying to make arrangements for a journey to Lisbon and London. The Germans still appear to be trying to pay him through the medium of a "venereal disease investigator without hair".

GELATINE has at last heard from the Germans and has been given a questionnaire.

The WEASEL has received a communication from the Germans. He has told them that he cannot go to the Congo.

DRAGONFLY is protesting loudly about not receiving money. He has been given further promises that he will receive a remittance via Switzerland.

RAINBOW has worked himself into quite a good position and can give valuable production vigures. It is proposed to use him for deception.

Plan Nuisance has been devised for attacking the German Intelligence Service and diverting their energies into unproductive channels.

Canaris is paying one of his periodical visits to the Peninsula. The German I.S. in Lisbon is preparing to send to England a Belgian agent said to have been in England for a long time and to be now working as a purser on an English ship.

His assignments, secret ink, cover address and money have all been arranged. We are trying to identify this man who is known to the Germans as THORN.

The Second Officer on the Irish s.s. "Kyle Clare" has been reporting to the German I.S. in Lisbon on convoys. The Agent FRITZCHEN who is being trained in "antes" is to be provided with two identity cards, one for an Englishman and one for an Irishman resident in England. It is thought that this latter will be of use to him as he is of military age. Ration cards and other papers are also being provided. There is no evidence from ISOS that the Dieppe Raid was anticipated by the Germans. The German I.S. in Sofia has reported that the British intend to begin an attack in Africa on the 10th September.

August 26th

Kimbal gave me an outline of the capture of the 6 saboteurs. They had been recruited some time in 1940, having been called to the German Embassy in the States and told that their services would be required by the Fatherland. They were not told in what capacity they were to serve. They reported themselves on arrival in Germany, were given some money and told to go away to their homes and have a good time. They hung about for many weeks, until eventually an officer called KAPPE made contact with them and sent them to a camp for z.b.V. 800 at Quintsee. There they were told to write

out their whole life history showing the places they had lived in and the contacts they had made in the U.S.A. They were then told to indicate what places in the areas they knew were of the highest importance from the point of view of war production. Having received training in explosives and Kommando methods, they were finally given their assignments. Four of them were to land at Jacksonville, Florida, and four on Long Island. They were to deal with targets in their particular area, after lying low for about 6 weeks. They were provided with the necessary identity documents, which were well forged. After 8 weeks the two parties were to meet at a conference in New York, to see how far they could be of assistance to each other. Each man carried a handkerchief with four names in secret ink of people in his area with whom he could make contact. None of these people had any prior knowledge of the arrival of the saboteurs. Both parties succeeded in landing in rubber boats from submarines. Two of those who landed on Long Island dragged their explosives up the beach on to the dunes, where they dug a hole and buried them. The other two ran into a coast guard who happened to be strolling along the beach, totally unarmed. This was certainly a remarkable coincidence since there is not more than about one coast guard to be found along 3 or 4 miles of beach. The two saboteurs, who were carrying uniforms, the idea being that if they were caught on landing they might be accepted as P/W instead of spies, engaged the coast guard

in conversation and tried to make out that they were clam fishers who had lost their way. They were getting on quite nicely when unfortunately for them the two other saboteurs who had been burying the explosives, ran down the beach shouting in German. This rather spoilt the whole party, and as Kimball put it "the coastguard was now beginning to wonder where he would get his pants laundered." The Germans apparently had instructions to despatch anybody in S.O.E. fashion who got in their way, but for some reason or other DASCH who was the leader of the party thought that bribery might be the best way out. He gave the coastguard \$300 (only \$260 of which ultimately found its way to the I.B.I.) He then flashed a torch on himself, saying to the coastguard "Remember this face". It seems likely that DASCH had at this time made up his mind to blow the gaff. The coastguard having backed away a certain distance, turned and ran to the station where he gave the alarm. It was then about 1 a.m. but his colleagues did not think there was any point in doing anything till it was light. About 5 a.m. they went out when they discovered the marks on the beach and the explosives. They also found certain clothing. This led them to start an investigation on their own, on the basis of the laundry marks. They got nowhere and later in the day decided to tell the Naval authorities, who took over the exhibits. They too tried to do a little private sleuthing and it was not until 8 p.m. that anybody thought of

-telling the F.B.I.. The hunt then started but might have been abortive had not DASCH and his colleague BERGER rung up the F.B.I. from the Hotel Governor Clinton in New York. Certain F.B.I. representatives who happened to be only two blocks away went round immediately and DASCH and BERGER gave themselves up. They did not know the real names of their colleagues but having been trained with them at the camp in Germany they knew roughly the area in which they had lived in the U.S.A. This gave the F.B.I. a starting point for their enquiries. They eventually succeeded in rounding up all the saboteurs except one, who thought that he would bluff the F.B.I. in Chicago by walking in and saying that he had been working in Mexico and had only just got back and was now seeking registration. The F.B.I. of course had a description of him and took him inside.

I saw the D.M.I. with Montagu about the D.N.I.s letter to all members of the W. Board in which he suggested that Bevan should become chairman of the Twenty Committee in order to bring the Committee's work into closer contact with the requirements of the Chiefs of Staff. I told the D.M.I. that I did not see that this would serve any useful purpose since Bevan was already a member of the committee and was in constant touch with Robertson. I also said that while the present constitution of the Twenty Committee, if indeed it had a constitution, had worked quite smoothly, we could not agree to any arrangements

that would place us in the position of having to put over in deception messages which we considered would jeopardise our D.A. network. I explained to him that it was the Security Service who had recruited most of these agents for its own purposes, namely counter-espionage and that I was quite sure that my Director General would not agree to to any arrangement that did not give him the final word in any circumstances which might affect their future. The D.M.I. seemed rather astonished when I told him that the agents were recruited by us for our own purposes. However he readily agreed, and a letter was drafted to the D.N.I. explaining to him that the suggested chairmanship of Bevan was unsuitable and moreover that Bevan had been consulted and did not feel able to take over the job.

In the afternoon I attended a meeting called by "indlater Stewart at which McClure the American General in charge of Security was present. The D.G. made a speech on the question of security, and arrangements were made for further meetings with Gen. McClure and his deputy Col. Sheen, to decide how we could give the best assistance to American units in this country. It seems to me that if the Americans appoint Security Command Officers and these officers carry out liaison with the R.S.L.Os there would not be much difficulty. As long as the Americans did not undertake their own enquiries particularly where civilians are concerned, there ought not to be any trouble.

I took Walter over to see "C". This was the first occasion on which he had met his chief, and it was on my introduction. We told "C" about the views of the F.B.I. and what we thought was the cause of the trouble.

In the evening I had a talk with Peter Loxley about A.C.E. He seemed to think that our Via Media was a very reasonable suggestion.

August 27th

At the R.S.S. meeting we discussed the position in S. Africa. It was agreed that there were no indications of Abwher traffic and that it was therefore doubtful whether any useful purpose would be served by giving Bennett, the Naval Y. representative assistance from the discrimination section of R.S.S. There was moreover the danger that there might be cert in undesirable elements in the Post Office units who would become aware of the kind of material that interested us. I was asked to explore the matter further with the Admiralty and to see whether there was any chance of Benne returning.

Page of G.C. & C.S. mentioned, a propos of giving ISOS to the Americans, that a man called KALBECK and two Naval representatives had recently been given the whole of G.C. & C.S. including M.S.S. and ISOS

Lourne and Allan came to see me about letter from the American Embassy which had obviously been tampered with before they reached the G.P.O. This had been discovered by the special examiners. It was decided to give the Americans photographs of these letters informing them that our attention had been drawn to the flaps by a sorter. Subsequent enquiries had shown that other mails from the American Embassy had been tampered with in a similar way. It seemed likely that either Coe was carrying out an internal censorship somewhat inefficiently or that some ill-disposed person inside the Embassy was opening the mails.

I saw Kimball again. He gave me an account of Pearl Harbour. It seems that four or five days before the attack a telegraphic or telephonic message had been picked up going from Honolulu to Tokyo in a very simple flower code which gave the exact disposition of all American ships in the harbour. The local authorities were fully aware of this but did not apparently take any precautions. On the night before the attack there was a huge party on the "Pennsylvania" to which a great many officers from other ships had been invited. Everybody got extremely tight by the time the party broke up at 5 a.m. At 7 a.m. they had a rude awakening. The aircraft carrier Lexington, which was some way out, never even knew there had been an attack, and not one plane got off the deck.

August 28th

Kimball had a talk with the D.G., Dick and T.A.R. The D.G. has written to C. about America in reply to a non-committal letter which he received from C. The D.G.'s letter is somewhat prickly and is not likely to be very well received.

I had a discussion with Dick and Gibbs about D.S.O. points in W. Africa. I asked Gibbs to put up a note which will help me to persuade the D.G. that it is necessary for him to go out to W. Africa at the earliest possible moment.

I lunched with Mulford. He seemed to think that this office had taken a biased view about the communists and had neglected the Fascists. In this he appears to have struck a sympathetic chord in Welles of the Security Executive. I told him that he was wrong, or at any rate misinformed as to the difficulties of the situation. If he was contending that the vetting of Communists by C. Division for special employment was not always very intelligently done, I was in entire agreement. He had to realise however that 50,000 people per week were being vetted by this office and that if this was all thrown on the investigating sections they would have a serious grievance. This meant that vetting was to some extent rule of thumb and unintelligent. This was regrettable and in many instances got us into serious trouble.

Apart from this I thought that we had taken a very reasonable line about the Communists. As regards the Fascists, the movement was comparatively young. It had been taken in hand several years before the war, and our enquiries might have been considerably helped if we had been given some encouragement by the H.O. For years Curry wanted to get a H.O.W. on the B.U.F. headquarters and on Mosley but could not get the necessary authority.

SCOTT-FORD has told us that one HENDERSON on the Finland is suspect. It was decided to let our agent on board the Finland work this out rather than approach the captain.

August 29th

The D.G. has shown me Swinton's telegram from W. Africa. Swinton has opposed our suggestion of taking over the S.C.O. staffs at Bathurst, Freetown, Accra and Lagos. He has apparently obtained the support of the G.O.C., Gen. Gifford. The real point is I think that he has no confidence in Haigh-Wood, and is nettled by the fact that we did not accept Lumbie as our C.S.O. We shall have considerable difficulty in getting our party on the rails.

Bell came to see me about the American situation. He seems to have made up his mind that he will not continue on the present basis. Unless confidence is re-established and liaison can be carried

out on a free and frank basis. he sees no point in going on.

Curry has produced a memo on the operational value of ISOS and other co-related material. Having re-written the memo on the German I.S. he has been very forcibly impressed by the fact that if this material had been given comprehensive study, most of the moves during the past year could have been foretold. This can perhaps be answered in part by the fact that there are other sources which have a more direct bearing on the enemy's intentions. At the same time I think Curry has made out a case for what one has always felt, namely that all intercepted material should be carefully co-related and studied by someone who is in close touch with the Chiefs of Staff.

U.35 rang up to say that perhaps the answer to the bombing of Nuremburg last night might be the bombing of Oxford. I spoke to the D.G. who decided to warn the country office. Harker rang up later to say that nothing had been said to the C.C. as it was thought that might go off the deep end. but that possibly I might say a word to Harold Scott. I tried to get Scott but he was away. I also tried to get McIver but he did not ring me back. Finally I spoke to the Duty Officer at the Ministry of Home Security. I told him at least three times that we had no specific information whatsoever but merely a hunch on the basis of Baedeker raids that the answer to Nuremburg

might be Oxford. We had accordingly warned our own people but not the C.C. as we thought he might regard the matter as interference or possibly work himself into a state of pathological excitement.

August 30th

I spent four hours talking to Viv. at St. Albans about A.C.E. and about the American situation. It did not seem possible to make any headway and I was profoundly disappointed. Viv. had evidently been irritated by our original suggestion which he evidently regarded not as a constructive suggestion which the present situation seems to demand, but as an attack on Section V. and Felix, which as a point of honour had to be fought to the last ditch. He said that he was disappointed that we had not accepted A.C.E. which he thought was a generous offer. I said that I thought it unnecessary and undesirable to set up a new body which would receive all the information regarding the German I.S., plan on it, and issue directions. If such a body was to function properly it must absorb the whole of B. Division and if it did so it should be responsible to the D.G. who would ultimately be held responsible if spies were found operating on British territory. Without defining them very definitely Viv. talked a lot about Section V.'s responsibilities to other departments. He was extremely irritated by the D.G.'s letter which I found difficult to defend. He pounced upon the

point of bringing up a representative section. He said this would be impossible. I replied that that had also been my view, as I did not see how Section V. could run in two parts. He then talked about the powers that would have been conferred on him if A.C.E. had come into being. I said I thought that all the necessary powers would be conferred if they constituted himself, myself, Dick and Felix as A.C.E. He seemed to think there might be something in this. He was strongly opposed to bringing Section V. up to London for three reasons, all of which seemed to me to be rather weak. Firstly he said that communications would be extremely difficult and that the Post Office should never provide the necessary lines. This seemed to be difficult to justify since our lines to Glenalmond would be available to carry on registry enquiries. We should not be using them as we should be talking direct to the officers in S.J. Secondly, he said we were likely to bomb Berlin and therefore London would be bombed. This would raise difficulties in accommodation for the staff. Thirdly, he said he was quite impossible to move until after Torch had been launched. As far as I know there are no other reasons. Certainly none were advanced. I had the impression that Viv. had absolutely set his teeth against allowing the organisation to amalgamate with ourselves. He said that in his view proximity was of no value. He had learned that it was quite easy for an organisation to function at the out stations. I said that our experience had

been exactly the contrary. I received almost daily complaints from people at our country office that they were completely isolated in a backwater and my own observations had confirmed this. He told me that there had been a meeting of Section V. officers at which the whole matter had been discussed and rather gave me the impression that Kim Philby's section was the only one who was really keen about coming to London. I said that this had not been Dick's impression and that all the people we had sent down were unanimous in saying that Section V. could move without dislocation and with considerable advantages to themselves. I am quite sure that loyalty to Felix and the organisation that he has built up is influencing Viv. against his better judgment, and that he has now reached the stage when he cannot distinguish between one and the other. I think there is a genuine fear that if the two parties once got together in this office and the water was allowed to flow over them for 3 months force of circumstances would compel some sort of amalgamation. I asked him exactly what he thought the functions of D. Division would be. He said that D. Division would revert to what he considered to be M.I. 5s proper function, namely counter-espionage in this country. I said that if that were so A.C.E. would inevitably become another little oyster box and that the case workers would never have the benefit of seeing the whole picture. He said that he was bound to admit that he had never looked at the scheme of view of D. Division.

I pointed out that either he would have to carry the functions of B. Division in which case it was obvious that total amalgamation was the only thing, or I should have to find 10 or 12 more officers to do the work of those who were going to A.C.E. If our via media were accepted this would not be necessary. There would be an economy of staff and labour and an absence of friction.

I also discussed with Viv. the American situation and told him what Kimball had said to me. I was certain that the situation would never improve unless there was a firm undertaking observed by all concerned not to operate on behalf of Donovan in Hoover's territory or on behalf of Hoover in Donovan's. At the moment Security Co-ordination was persona non grata with the F.B.I. and this atmosphere was vitiating our liaison. We had analogous problems and wanted a free exchange but for some reason or other although we were now entering the 4th year of war, nothing had happened.

We also discussed the question of ISOS. I said that it was no good burying our heads in the sand. The F.B.I. knew about ISOS and were dealing with certain groups. Before long they would take action on them to our detriment. We should then have to put our cards on the table, when they would reproach us for not having done so before. We now had something to bargain with and I thought we should be making a great mistake if we did not come clean in some form or

another. Viv. then told me that the President had given orders that ISOS was not to be handed to the F.B.I. I said that the President knew no more about ISOS than the Archbishop of Canterbury and that somebody ought to tell him that he too was burying his head in the sand. It was not the slightest use sitting down under that kind of thing, as we could do ourselves and the Americans nothing but harm by not putting the whole business on a proper footing. He said that the Americans were coming down to Glenalmond during the week and he would see what could be done.

August 31st

D.G. told me that he had sent a copy of Curry's memo on the 5th Column to Duff-Cope. He will consider the question of Curry looking into the whole matter on his return.

I lunched with Brook Wilkinson, after seeing an American film depicting a spy ring in the U.K. The Chiefs of Staff, or what they described as the Inner Intelligence Council, were shown up as being hopelessly inept, and the Voice of Terror was broadcasting and foretelling acts of sabotage which were taking place all over the country. Finally Sherlock Holmes and Dr. Watson were called in to put things right. I said that on the whole I should be against this being shown though it was argued that the presence of Sherlock Holmes would stamp it in the minds of the British

public as being pure invention. I doubted whether any but a small section of the public would know very much about Sherlock Holmes. The impression on their minds would be that the Chiefs of Staff were hopelessly inept and that it needed an amateur detective to come in and put them right. Apart from that it would give a similar idea to the American forces whom we were trying to educate against spy psychosis. There are plenty of people in this country who are quite ready to say that the whole of our staff work is bad, as indeed a good deal of it may be, without their being given any further encouragement. Brook Wilkinson said that he would refer the film to Tyrrell. And if the matter was still under dispute he would ask me to come up again. It seemed fairly clear that the film had been produced for the American public in order to make them spy-conscious, and not wishing to depict their own Chiefs of Staff as inept they fobbed this view off on the British.

We have had rather an interesting case in Censorship. Mr. J. R. EVERSDEN of Dinsmere, Rockley Road, Godalming, has been writing to Trooper J. R. EVERSDEN, Stalag 8b, Germany. There is one sinister reference in the letter to Aunt Mary being pro-German. There is no J. R. EVERSDEN or any such address at Godalming and there is no P/W known of that name. It seems possible that this may be a clumsy attempt by someone here to get into touch with the Germans. They would argue that as Trooper EVERSDEN did not exist his letter would be opened by some official who would read about Aunt Mary

being pro-German. This would be a signal to the Germans to look out for any similar letters. If this is a correct view the attempt is certainly clumsy. It seems doubtful however whether the I/W mail could be used with advantage for communication in S/W since the time which it takes to reach its destination varies from 6 or 8 weeks to 3 months. Stalag 8b has been of interest from the point of view of the Irish Brigade.

September 1st

The D.G. has left for the I.O.M. and Liverpool. Harker took the meeting today. The Second Front was discussed. Harry Allan said that the W.O. did not know exactly what would be required of the Security Service but they thought we should be prepared. - for what, they did not at the moment seem to know.

Medhurst has written a letter to the D.G. complaining that a Capt. Liddell rang up the Ministry of Information last Saturday to say that I.I.5 had information that Oxford was going to be bombed. As a result the police had been warned and all the Fire Service, A.R.P., etc called out. Medhurst said that this was a serious matter and that if we had any information it should have been passed to him. I rang up Medhurst and explained the circumstances. He seemed satisfied. Evidently the C.C. at Oxford as we expected lost his head.

I had a discussion with Charles about O.C. I explained that the present situation was far from satisfactory. Letters came in from D.S.O.s addressed personally to the D.G. and I very rarely saw them until after action had been taken and sometimes not at all. I felt that if all D.S.O. correspondence could be centralised in Gibbs things would work much more smoothly. Jelf and Plowman were really quite useless. Jelf's main asset was thought to be his standing with the C.O. In actual fact his name there was mud. Plowman is a retired colonial servant who seems to be more or less incapable of understanding the meaning of anything. The only useful man in O.C. is Clayton. He could well carry the administrative side. I felt very strongly that the initiative on all matters affecting the D.S.O.s, their postings etc. should come from the Intelligence rather than the Administration. For many years the precise opposite had been the case. Charles entirely agreed with me. We are going to try and get some change. Charles thinks that if he could come up to London he would be able to control these matters far more easily.

Gibbs is worried about the Belgian Congo. There is considerable evidence that the Germans are very active in this colony. The Belgian Govt. have little control over the colonial administration. This has always been so even since before the war. There is practically no security. The Americans are very active in the Belgian Congo and depend upon it to a large extent.

for certain raw materials. It is vitally important that security measures there should be taken in hand.

Field-Robinson came to see me about Otto HALLER. HALLER is a I/W whom he wishes to use. He would like us to interrogate him and give them an opinion. I said that we would be very pleased to do this if he would let us have copies of the former interrogation. I propose that Caroe should see HALLER.

I had a talk with Haylor about S.I.S. agents at the R.P.S. The arrangement is that all the accredited agents should pass through the R. S. S.I.S. resent that those who pass through were questioned about their work. Haylor's point of view is that it is impossible to examine these people from the security angle unless the whole of their activities and contacts are discussed. I am inclined to agree, particularly since we have had two cases of agents coming through who have really been double-crossing us or the French. I refer to the cases of Robert PETIN and PELLETIER.

September 2nd

I took the Wednesday meeting. Manso BARROS the wireless operator on one of Enrique trawlers has been examined at O20 and has confessed that he was working for the German. The company is backed by German money.

It seems certain that the masters were cognisant of what was going on. These trawlers were pulled in the by Navu owing to their suspicious movements in the rear of a convoy. The Spaniards are protesting.

A letter has been intercepted going to SIMOEZ from a friend who wants money, and 2 Post Office addresses in this country have been discovered in his apartment. EGGS had been put in alongside.

MANEZES appears to be reporting on A.A. defences but we are still unable to get up his ink properly.

SCOTT-FORD has given the names of others in his racket. We are not at all sure however that he is speaking the truth.

Cheney has put in a memo about seamen's pool. It seems that it was quite possible for a seaman to come in here and after signing off for a month, fail to rejoin. The pool are really responsible for calling him up but do not always do so. Cheney suggests that this work should be done by the I.O.s. Adam doubts whether they have sufficient staff.

Hart has told me about a a mother cod-fishing ship called the Gileadis. This is a Portuguese vessel which according to ISOS seems to be signalling the movements of our ships from the port of St. John. The difficulty is to know what action to take as no one in Newfoundland can even speak

Portuguese. At the best we shall find a wireless set which is somewhat out of the ordinary. It may however be held that such a set is necessary in order to keep in contact with other bodies in the fishing fleet. The Navy do not wish to offend the Portuguese are they are given certain oiling facilities in the Azores.

The Germans are trying to send an agent called JAVIER de CERRA GOMEZ to Lake Chad and two other agents to the Mozambique area. The Germans are also establishing an agency at Oporto.

FRITZCHEN who is being trailed at Nantes is to be given means of transmitting intelligence supplementary to his W/T set. One possible method suggested is the use of newspaper advertisements. He is to land at some suitable open space near London.

September 3rd

I had a meeting with Stopford, Matthews and Joe Stephenson about the PAIR FISHING Co. which employs Spanish fisherman and runs boats from Milford Haven which fish off the coast of Eire. Sometimes the boats put into Eire ports. The whole set up seems to be extremely undesirable. We recommended certain action but the Navy refused to support us. It is now proposed that we should get agents on board these boats.

Frost and I went to see Capt. Sandwith at the Admiralty about Abwehr traffic in S. Africa. He is going on a world tour and will be in touch with Bennett in about two months time. He volunteered to explain to him our views about the unlikelihood of their being any Abwehr stations in South Africa, and about the possible unreliability of Post Office workers who would have to be employed on V.I. work.

Haylor and I had a meeting with Viv. about the R.P.S. Viv. was very anxious for us to waive any right to interrogate S.I.S. agents. We compromised by saying that we did not wish to see any accredited agents. We felt however that the term should be more closely defined; particularly where allied agents were put forward as accredited agents of S.I.S. Haylor pointed out that advantages were gained through obtaining particulars of escape organisations etc. It was agreed that we should write a letter to S.I.S. on the subject.

Hince came to see me. He had seen quite a lot of Grogan, from whom he had gained valuable information. In the course of conversation he mentioned a method employed by the Americans in interrogating prisoners particularly criminals of the gangster type. He mentioned a case where two men had been apprehended for murder. They had used a car which had subsequently been found. The F.B.I. had published a detailed description of this car and also details of the crime. Certain particulars of the car

had however been omitted from the press article. They gave the prisoners the papers and when they had read them they were taken away, and the prisoners were asked to give a description of the car they had read about. They were then in the position of not knowing exactly what information they had got from the papers and what they knew from personal observation. In this particular case they committed a major blunder by describing some detail of the inside of the car which had not been mentioned in the papers. They were unable to explain how they knew about it. This is known as the method of supplied information. I rather doubt whether it is applicable to spy cases but it might be on occasions.

Hince said that he would like to have a talk with our pigeon expert about two-way pigeons. The Americans thought that the Japs had been using pigeons of this type. It is apparently quite possible to train a pigeon to fly out to a ship and then come back to its loft.

September 4th

Dick has seen the F.O. about BARROS. The Spanish Ambassador is to be told that the F.O. are satisfied that this man was communicating with the enemy re movements of convoys. They did not at the moment propose to show the Ambassador any documents. I am personally very much opposed to this as I feel that if we continue to show con-

essions to the Spaniards as in the case of CALVO, an awkward precedent would be created. If in future cases we fail to get a confession the Spaniards would press for release. Suner has been sacked. We hope to get some reaction about this when Peppermint goes to Madrid.

Kellar came to see me about the rasha. There are certain discrepancies in our information. and our agent give one story of the rasha's movements and special material another. We are rather concerned as to whether special material is accurate and propose to test this out by taking a recording ourselves. The remarkable thing is that the Pasha does not seem to communicate with his government except at very infrequent intervals on matters of little importance. This rather strengthens the case that he must be using an illicit transmitter. So far there is no positive evidence. We are going to examine the cable routes.

I spoke to Viv. about our taking special material, and he agreed.

I also talked to him about America again. He told me that the whole thing was in the melting pot and that possibly Stephenson might give up S.O.E. and confine himself solely to S.I.S. work and C.America. If this happened it was proposed that Wren should be built up purely as a liaison agent in America. I did not think that the situation would be satis-

factory unless Stephenson played straight with the F.R.L. V.V. put forward various arguments against our having direct representation. I said that we were now entering the fourth year of the war and no satisfactory liaison existed. I did not know whose fault this might be, but it was to say the least a regrettable fact.

Curry's 5th column memo has created a stir. Fulford profoundly disagrees with everything he has said and thinks that the memo should not have been sent to Luff before being referred to H.Division.

I had a further meeting about the Pasha with Frost, Kellar and Antony, when methods of further investigation were discussed.

Hart and I went over to the Admiralty about the Faroes case. It seems that the only evidence pointing to the Faroes is that the submarines pass fairly close to these islands. The case arose through the "amer-schaftsdienst" broadcasts which give personal messages to sailors at sea. The code department of censorship have worked out that when a name is mentioned twice it becomes operative and denotes the movements of a submarine from Germany via the Faroes the "West Coast of Scotland" and Iceland to L'Orient. They did not think that the message had any connection with the guiding of submarines through the mine fields but rather denotes some connection with a trawler for the purpose of handing over information. They are anxious that we

should carry out intensive investigations in the Faroes. This strikes us as looking for a needle in a haystack. There are only 12 policemen in the Faroes and large quantities of fishing boats which leave all the islands. It strikes us that aerial observation is the only method of clearing up the case.

September 5th

On the occasion of the Pieppe raid two complete sets of operational orders and intelligence supplied by ourselves and S.I.S. about the area were left on the beach. These were picked up by a retiring party and brought home. It seems however that another copy was left behind. After the raid we gave out that the enterprise had been satisfactory and that we had learned many lessons. The Germans in their broadcast replied that the lessons were nothing to those they had learned from the documents which we had so kindly left behind. There is a complete copy missing and there is no doubt from the details given that this fell into the hands of the Germans. The copy belongs to one of the Canadian brigades. The matter has been brought to the notice of the C.I.G.S. who proposes to have someone on the mat. There was no earthly reason as far as anyone knows why the order should have been taken across the channel at all.

Kimball is having a talk with Cussen and Burt

I had a talk with Kenneth and Kembal Johnson about INTERAVIA and the Swedish Air Lines. I decided that Jock Whyte should continue his investigations into INTERAVIA and that Kembal Johnson should deal with the Swedish Air Lines perhaps rather more extensively than he had done in the past. It is proposed that he should thoroughly investigate the case of CARLBERG and also operate to the full his agent in the hotel in Aberdeen, where the pilots stay. CARLBERG, whose office is in London, visits the aerodrome on the arrival and departure of planes and could very well act as a contact man. CARLBERG has recently been asked to take over the representation of INTERAVIA, an international company with headquarters in Switzerland which collects information about aircraft all over the world. The Germans are the principal subscribers and there is no doubt that any information in the hands of INTERAVIA ultimately goes to the Germans.

September 6th

I saw Lamplough and Caulfeild at the Club. Caulfeild told me that he had just heard of an incident which might possibly throw some light on the Faroes case. A German submarine had been sunk somewhere near the Faroes on about the 20th August by a Catalina. The crew had been picked up by one of the Icelandic Fish trawlers. There were grounds for thinking that possibly the trawler had a rendezvous with the submarine, which

contrary to the normal procedure had surfaced. There were said to be two Icelanders amongst the crew. It was also reumoured that the captain had said that he would be quite prepared to take the crew back to Norway. The captain had been interrogated by the S.O.I. at Fleetwood and the boat had now left on its return journey to Iceland.

I talked to Lamplough about the Gileadis, which we believe had reported the movements of our ships at St. Johns on the 4th or 5th August. Lamplough said that he had heard that two of our ships had been torpedoed while at anchor off St. Johns a few days ago. I asked him what he thought was the solution to our problem. He thought the only thing was to ram the Gileadis which would be spurlos versenkt without survivors.

September 7th

At the Press Meeting Tangye reported that Maisky was giving mildly pessimistic accounts of Churchill's visit to the Times, and trying to dictate a pessimistic version to the Herald and other papers. It was decided to inform the F.O.

Harker held a meeting about liaison with the Americans. I had to leave early owing to a meeting at the Admiralty on the Faroes case. Hart and I got some further details. I said that it was important if possible to trace the movements of the trawler during the last few weeks and to see if they coin-

cided in any way with the departure of submarines from their German bases. If we found that they did coincide, there would be fairly strong grounds for suspicion against the master. P/Ws have so far not said anything of any particular significance.

Dick, Hart and I had a meeting about the Belgian THORN, who has appeared on ISOS. This man is apparently destined for this country. It is thought possible that he may be identical with a man called SNEYDER who fits him in certain respects.

September 8th

At the D.G.s meeting Harry Allen said that the W.O. were proposing to appoint a Civil Administrator in the rear of our lines when the Second Front opened. There was to be a meeting at the W.O. to discuss his duties. It was suggested that I should attend.

Dick, Gibbs and I had a discussion about We. Africa. We produced a plan which we thought would fit in with Swinton's ideas. Ede should be C.S.O. with an Asst. D.S.O. in each colony. Gibbs should go out and explain our requirements to Swinton. Stopford expressed the view that owing to the snobbery that prevails in W. Africa it would be necessary to have someone who would be invited to the Governor's table. There is I'm afraid a lot in this. I am recommending that we should sacrifice one or two of our

R.S.L.Os

I had a long talk with Fulford about his minute on Curry's memo. He had written a rather peremptory note to Rothschild and said he would wish to see the Dorothy case when he came up. Fulford seemed rather complacent, but I thought that by the end of our talk he was somewhat shaken. He had spoken about the flimsy evidence on which Curry's memo was based. I said that I did not think that it was Curry's evidence that was flimsy but rather the evidence of those who were supposed to be dealing with 5th column activities. The fact was that ~~were~~ we were only scratching the surface and that we knew very little about the innermost feelings of Germans, duals, B.U.F. and allied nationals. I envisaged that if we were again faced with the threat of invasion there would be a spate of jitter broadcasts from the continent and probably the dropping of a certain number of parachutists. A few wires cut here and there would be quite sufficient to start a spy psychosis. It was quite possible that under such conditions a good many people of the type revealed by the Dorothy case might come out of their holes. It was therefore essential that we should know exactly who they were. Fulford said that he did not like provocation. I replied that it was no good tackling a job of this sort with Liberal kid gloves. We might not like anything that savoured of agents provocateurs but such methods were necessary in times of crisis. Information was obtained which could not be used for the purposes of prosecution but we should at least learn where we stood. Fulford seemed to

think that Rothschild was at the bottom of the memo. I said that this was not the case. On Curry's suggestion Rothschild had written a note on the 5th column based on his case. This had been sent to Stamp, who had tried to tear it to pieces. In reply Miss Sherer had written an acrimonious minute, and I thought that at this stage it was better to hand the whole correspondence over to Curry for arbitration. After studying the minutes Curry had written his memo which was based on all the available evidence in the office. I did not agree with the suggestion that the memo should go to the Home Secretary or to any arbitrary increase in the invasion list. It seemed to me that the matter was largely a domestic one. We ought to investigate more deeply and place people on the invasion list according to the results obtained. Fulford said that he was going to study the Dorothy case and would let me know his views. I told him that if he was proposing to take it over I should object very strongly, firstly on organisational grounds, since there were at least two people who could be prosecuted under the Treachery Act for sabotage and espionage, and secondly because Rothschild had handled the case very successfully for more than two years and it would be folly at this stage to move such a complex matter from his direction. I told Fulford that having read his minute on the file, I had expected to see him advancing up S.O. on a white charger brandishing a sword and flushed with his recent triumphs over Col. Alexander.

Ned tells me that he has been informed by one of the London banks that the sum of £750 was sent by the Spanish Ambassador in Ankara to Chaman Lal, the well known Indian. This money was to have gone through a bank in Switzerland but Ankara apparently did not realise that the transaction could only finally be carried out through London. I believe that Chaman Lal does represent some Spanish paper but this would not account for the money being remitted from Ankara. Ned also tells me that one Gillearo has sent money from Gib. to six Indians.

The D.G. has returned and has asked me about A.C.E. I told him that I was rather sick of the whole business. There seemed to be only two things to do, either to drop the whole matter or submit the papers to arbitration.

Price, our Consul in Lisbon, called in to see me about repatriated British subjects. He said that he and his staff did their best to examine these people but that it was difficult for them without the necessary background. He thought that it would be excellent for us to have a man camouflaged in the repatriation office. Most of those to be repatriated remained some weeks in Lisbon. He got reports from members of his staff about their doings but many of these were in the nature of gossip. He sent copies of these reports through to the F.O. and had suggested that he should also send copies to us. F.O. had replied that

this was not necessary as they were passing us all reports. In fact they pass us very little.

The German I.S. has received accurate information from Egypt regarding the strength of the R.A.F. and aerodrome construction.

The Germans are sending an agent to the U.S.A. in the guise of a Portuguese engineer. He will proceed via Brazil about the middle of September. He is to communicate in secret ink and code telegrams

Another agent, Fernando LIPKAU, is going to America to take up work in either Ford or Chrysler works for the Germans. He is to be interrogated at Trinidad.

September 9th

Grogan spoke to me about Censorship of telegrams. Owing to the possibility of the use of code it is suggested that all telegrams to the continent should be delayed for three days. We have had one report I think from S.O.E. about an agent who was to make use of the words "Hard, harder, hardest" and "Good, better, best", which were to mean that an attack was likely to take place on a certain sector of the French coast.

I took the Wednesday meeting. An agent is expected in Eire. He is to get a job as a metal worker in October or November. This raised a discussion about Irish seamen

arriving from the Peninsula. I thought that they all ought to be examined. Milmo said they could quite easily be held under the Arrival from Enemy Territory Act. This would mean that they would be detained at Brixton which would probably cause trouble. We could also hold them under 13D.

I gave the meeting an account of the 8 saboteurs arrested in the U.S.A.

Milmo mentioned that Sobhy HANA who had been caught at Dar es Salaam, had now arrived at Ham. He had in his possession a wireless receiving set which had a concealed transmitter. This had escaped the notice of controls and was only discovered on close examination here. HANA has stated that he was on a political mission for the Germans in Egypt.

I attended a meeting at the W.O. with Harry Allen in the chair which discussed the duties which might be assigned to various M.I. branches when the Second Front opened. There will be a general Civil Affairs Officer who will work to the Force Commander and will be responsible for the maintenance of law and order and the suppression of civil tumult. It seems that we are likely to be wanted at any rate in an advisory capacity at some stage of the advance. We know that the Germans are going to leave behind saboteurs and spies and it will be necessary therefore to have ways and means of detecting illicit wireless and somebody who can give the necessary

technical advice about sabotage equipment. T.A.R. has raised the question of running XX agents. If parachutists are dropped behind our lines there will have to be someone there to work them. There might also be something to be done on A.S.L.O. lines since there will be no organised civil police. The soldiers seem to think that the existing police forces might be made use of. I said that it was not unlikely that the Germans would burn all police records and drive the police officials in front of them.. This meant that there would be an endless series of denunciations which would have to be dealt with by somebody until a proper native force was established. The F.S.P. seemed quite clear that they would not be able to cope with all this.

September 10th

R.S.S. meeting but nothing of special interest was discussed.

Harker, T.A.R. and I lunched with Kimball. He seems quite pleased with his visit.

Stewart rang me up about an R.S.S. leakage. We had been asked to say what the Turkish Ambassador was doing on the 2nd and 3rd. Unfortunately our informant was away at the time and it was difficult to know how to proceed unless we knew a bit more about what the whole trouble was about. It seemed that a Turkish B.J. disclosed that the Ambassador had been informed about

certain information which had appeared in M.S.S. and had telegraphed this information to Ankara, the result being a blaze in the press. Matters had not been improved by the Generals Alexander and Montgomery blowing the information to Wendell Wilkie, who had passed the tidings round in Ankara and elsewhere. Stewart is going to get a list of people who were in the know and their contacts. We on our side will get a list of the Ambassador's contacts and see whether there is anybody common to both lists.

I heard that Stephenson is coming over from New York.

September 11th

The D.G. has redrafted his A.C.E. letter. He has been thinking about things in the night. He feels that S.I.S. do not appreciate that what we are proposing is not solely for our own purposes but for the common good. He is still harping on the idea of a representative section and thinks that this might conceivably be formed at Broadway. I have told him that I cannot see how such a section can function.

Stephenson has arrived.

Pan has arrived from Lisbon to clear up the case of the Czech C.E. man Alexander. Pan appears to believe in Alexander implicitly. Our evidence that Alexander is double-crossing the Czechs is based on ISO's

and in our view in incontrovertible. There is no doubt that Alexander procured a wireless set from S.I.S. which he sent out ostensibly to one of the Czech stations in Paris. In actual fact this set is under control. He has also double-crossed us in the case of RUSER. We now have to convince Pan and cover up the ISOS. In our view Pan should not be allowed to return to Lisbon until Alexander reaches this country.

Sloane and Bartik are very worried about this case and our own opposition to their General Moravec.

J.C. came to talk to me about MULLET, who has just returned from Lisbon where he has been in contact with KOESSLER. MULLET met KOESSLER on a previous occasion when the latter engaged in peace talk. On this occasion KOESSLER came much more out into the open. He said that he was interested in a military coup d'etat. Some of the generals were opposed to Hitler. They would be ready to revolt at an appropriate moment.

Canaris to whom he was working was wavering. It was necessary to convince him by facts that we were in a really strong position, and that Germany was as good as beaten in the long run. This may of course be merely an attempt to obtain information. It rather reminds me of the Best and Stevens case. J.C. is inclined to think that KOESSLER is genuine.

September 12th

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Hince and Kimball saw the L.G. before their departure. Kimball subsequently went round to have a talk with C. to whom he made clear the grievances of the F.B.I. C. appeared to be sympathetic. Meanwhile has told Stephenson about Hoover's accusations. There has i understand been a ,meeting of C.Vivi Stephenson and Taylor. W.V. Stephenson maintains that Hoover is still playing straight. The trouble is of course that Hoover does not think that Stephenson is playing straight.

Dick is getting rather desperate about Section V. He says that is now ill with blood-poisoning and that Kim Philby has got to go to Lisbon and clear up some mess or other. Further S.I.S. are sending out more people from Section V. to W. Africa. Glenalmond will therefore be in a worse pie than usual. I said that there was a limit to the extent to which he could be used as a recruiting ground for S.I.S. We had very serious obligations of our own which we were not fulfilling in W. Africa at the moment. We were likely to have other obligations if a Second Front was opened. I thought that so far from giving men away we ought to be building up in the Regions and in the Ports, since the Regions particularly had the right kind of experience of D.S.O. work. Dick thought that possibly total amalgamation would be the solution. Catalogue Reference: *KV/4/190* favour of this if

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the amalgamated body came under the D.G. It would be wrong in my view to start a separate organisation, but admittedly this might be better than nothing. Dick does not seem to see the importance of the relations between C-E and security. He thinks there is a division between the two, whereas there should be no division between ourselves and Section V. I feel there should not be a division between either. There may be something to be done on the lines that he suggests, if I were to see Buff Cooper but organisationally I still think such a move would be unsound. There is no doubt that an impasse has been reached in what is really a very serious problem.

D.G. has agreed to Gibbs going to W. Africa and to consider Dixon for Sierra Leone. He thinks that Harris the super at Lagos might act as an assistant to Ede while Land could remain in Nigeria.

Victor saw Bill Stephenson by accident last night at Claridges and spoke to him about the refusal of S.I.S. to let him go to New York in order to interrogate the saboteurs. Stephenson said he knew nothing about the suggestion and that it should normally have been brought to his notice. I am sure we shall get nothing done in matters of this sort until we have our own representation in New York.

September 13th

Catalogue Reference: KV/4/190

I lunched with Kimball, Hince

The Americans are leaving early tomorrow morning. Bell is staying on for a few days and also Stephenson. After lunch we had a short talk. Stephenson told Hince and Kimball that he had heard they were under the impression that he (S.) had been holding up stuff in New York. They both denied this but said that quite clearly information passing through New York had not been reaching ourselves. They expressed satisfaction with their position here and hoped that things would now move more smoothly. I saw Stephenson for a moment afterwards. He told me that he had had several hours with Duff-Cooper who I gather is in favour of Stephenson holding a mandate for the Security Service. There is apparently to be a meeting tomorrow on the subject. This ought to work if Stephenson refrains from carrying out operations on his own in Hoover's territory. I rather doubt however whether he will. At any rate it will be a step forward and if the situation is still unsatisfactory we shall have to press for our own separate representation in Americaa. Stephenson is going to see the D.G. tomorrow and wants to have a private talk with me outside the office.

September 14th

Dick spent the morning closeted with the Czechs and Pan who has been brought back here from Lisbon to discuss the position of Alexander, who is undoubtedly working

for the Germans. Although Pan himself is believed to be reliable, he is an unpleasant blustering personality. He left the meeting disconcerted and annoyed. This may be due largely to a matter of pride. It was eventually decided that Pan should send a message to Alexander intimating that his presence was urgently required here in order to discuss certain matters connected with the Second Front.

The Germans are trying to get back SEMMEL AU-ER on an exchange basis.

Burt came to see me about the indiscretions of a certain Major Daubeny who had blabbed about the Second Front to Audrey Richmond-Brown. She had mentioned my name, presumably as somebody who might help to get her and her friend out of the mess. This would be quite impossible in any case since she already committed herself in a statement and has handed over a letter from Daubeny which is tantamount to an admission of his guilt. The V.C.I.G.S. is very hot on these cases now and there is not much doubt that Daubeny will be cashiered if not worse. Audrey spoke to a Lady Child who spoke to Capt. Lonsdale who was P.A. to some General in the W.O.

I went over with the D.G. to see Duff Cooper about Stephenson representing us in the Caribbean, and also for the purpose of liaison with the F.B.I. I explained to Duff that I thought Stephenson could carry this with advantage if he were made our repre-

sentative. Such an arrangement would bring us into closer contact with the F.B.I. and make our connection much more rapid. It could only work satisfactorily however if Stephenson was persona grata with the F.B.I. Clearly at the moment he was not. This was due to the fact that he was running agents in Hoover's area particularly into the Embassies in Washington. Hoover maintains that this is his province and that if we want to know what is going on in diplomatic circles in Washington we have only to ask and he will give us anything we require. I said I thought it was much better to accept this offer and to refrain from running agents in this manner. As regards the Caribbean D.G. made it clear that there were certain matters which affected the Colonial Office and which would have still to go through London.

The R.P.S. report two spies, DYKSTRA and GROOTVELD. They arrived in a party of 12 Dutch escapees. SCHIPPER who is already in Ham and who gave us valuable information, has recognised these people as German agents from Ymuiden. GROOTVELD appears to have communicated with one of the ISOS trawlers ~~xxxxxxx~~ which has recently been operating in the Skategatt.

Ned Reid has been investigating the bank account of FIDRIMUC. He opened an account at the Chase National Bank here in 1923 which was closed in 1939 and transferred to the Chase Bank in New York. He is a prominent German agent working in the Peninsula. Ned has also discovered that

certain Bank of England notes of high denomination which were obtained at the beginning of the war by Albert de BARY of Amsterdam, passed through the hands of Prince Paul of Serbia. Other notes in this series have already been traced as having been in the possession of Alcazar de VELASCO and Gunther SCHUTZ, the German agent under arrest in Eire.

September 15th

Rogers the former F.S.O. Freetown is having a course of instruction here. He is I think to go as assistant D.S.O.W. Africa or take a job at one of our ports in this country.

At the D.G. meeting I raised once more the question of communications with D.S.O.s. Our great difficulty in sending out confidential information either direct or through the Bulletin was the fact that we never knew by what route it would go. It was important for us to know both as regards the time factor and security. I also asked whether we were communicating in one-time tables. Charles is going to look into this.

I had a meeting at Broadway with C. Dansey Viv. and Naylor on the subject of interrogation of S.I.S. agents at A.R.S. Dansey was all smiles. He said that he would always be only too glad to let us have access even to his accredited agents, provided somebody from his P. Sections was present. It was agreed that we would not demand the right

to interrogate accredited agents, but as regards the others they should go through the R.P.S. and be interrogated in the presence of a P. Officer with similar treatment to be accorded to allied agents, and that Haylor should have the opportunity of establishing direct contact with P. officers. S.I.S. undertook to let us know when their accredited agents came through and where and when we could see them. While I do not trust Dansey I do think we may ultimately break down the prejudices of some of his P. officers if we can get into direct touch with them. So far we have always been prevented from doing this owing to the rigidity of our liaison with Section V. whom Dansey dislikes even more than ourselves

Senter came to see me about the case of Miss Erika Maria PAP @ Erika Margaret DICKINSON. This woman had formerly worked for S.O.E. in the Balkans. They gave her a British passport. She ultimately landed up in Egypt and became suspect owing to certain coded communications with enemy territory. She is on her way back to this country and will be interrogated at the RPS.

I had another meeting at Broadway with C. and Viv. about U.S.A. and the plan for representation in the Caribbean. We also discussed the question of direct communication with Stephenson on matters affecting the F.B.I. S.I.S. seemed to think that Stephenson has pulled a fast one over them.

Viv. regards him as one of the slickest people he has ever met. There was some question of getting rid of him altogether and putting Denham in his place but he has dug himself in so well with Donovan that he could not be removed without a major operation and probably a row with the President. While C. is prepared to agree to the Caribbean arrangement Viv. at any rate was hotly opposed to our communicating with Stephenson on matters affecting the F.B.I. He pleaded that S.I.S. would be sending telegrams to Stephenson on the same subject as ourselves and that unless these matters were co-ordinated here there would be confusion. I said that we could give copies to S.I.S. of all our communications but he did not seem to think that this was a good idea. I then said both to C. and Viv. very frankly what our views were about the present arrangement and how it had been the cause of irritation for two years. I said that putting aside any accusations against anybody the solid fact remained that there had been virtually no liaison between us and the F.B.I. who had completely analagous problems. We had the greatest difficulties in getting answers to our questions and information that we passed did not seem to reach the F.B.I. and vice versa. I mentioned the case of JUDE where there had been a delay of well over a month in sending the Americans particulars of the Camp 20 case in which they would undoubtedly be interested. Viv. seemed to suggest that we might have passed things for transmission to the F.B.I. I said that we gave Section

V. everything that if their American section performed any useful function I should have thought that they should have made it their business to scrounge round in order to produce information which would stimulate the liaison. We had never been responsible for this work. I also mentioned the case of Rothschild's not going to U.S.A. The W.B.I. told me in Washington that they would be very glad to see any of our experts. Rothschild was interested to get the latest information about the 3 saboteurs and particularly since we were awaiting the arrival here of FRITZCHEN who had been trained at the same depot. Kimball had said that they would be delighted to see him. We had asked whether he could go and after nearly three weeks delay had been told that Stephenson did not think it was necessary. Now Stephenson tells us that he had never heard of the suggestion at all. If there had been direct representation we should have merely sent out a telegram to say that Rothschild was coming and that would have ended the whole matter. I also mentioned that I was still waiting for 10 days to know whether Wilson could go in connection with the Tricycle case which was of vital importance to us. I had spoken to Cowgill who seemed to think the idea was a good one but had asked "by telegram, for his views. If we had direct representation we could merely have wired to to say our officer was going out. I told Viv. afterwards that there was little doubt in my view that the American Section at Glenside is hopeless. He said

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that Felix had found this for a very long time and that clearly some drastic change was necessary. They would have to get rid of and Miss Sinclair. I was really rather in despair at the end of this meeting D.G., Stephenson and myself lunched together and had a large glass of port each to the new arrangement. It now seems that we are almost back where we started.

C. told me that he had just seen Moravec, head of the Czech Intelligence. He had told him that he was profoundly dissatisfied, not only with the Czech organisation in Lisbon, but also in Constantinople. He told him however that he had decided that Pan should not be allowed to return to Lisbon at any rate until the Alexander question had been settled. Moravec said that whether Alexander returned or not he had quite made up his mind to dispense with his services. He was ultimately satisfied with the evidence against him which we had put forward. C. further told him that it had been decided to send a message to Alexander in Paris written by Air Mail since this would give the impression to Alexander that the message had not been drafted by the British Intelligence.

On 31.3.42 S.M. shows that an Englishman has informed the Chinese Ambassador's Secretary that Mme. ? is starting a deep-breathing class and wanted to know if the Ambassador would like to join it.

Secretary: Deep breathing?
Englishman: No, deep breathing.

Secretary: please spell that last word.

Another extremely reliable report has been obtained by the Germans from Egypt about the disposition of troops, stores etc. It comes from the Ostro organisation. Stopford is making strenuous efforts here to establish a line of communication which we feel must be on the air routes via W. Africa.

It has now been established that A.S. PRYNNE W/T operator on the s.s. Shetland passed information relating to convoys to the Germans through an intermediary. It is not clear whether this was the result of an indiscretion or was deliberate.

The Germans appear to have agents on the Alpera, the Ardeola and the Nyassa.

The Spanish s.s. Aldecoa has been asked to report on a number of matters affecting troop movements and ship movements on the West coast of Africa.

Three agents of the Technical Air Section of the Abwehr have arrived safely in Angola and are in radio communication with Lisbon.

The Germans are trying to send over here a former de Gaulleist who escaped from prison and has since been working for the Germans.

The Germans have landed 3 agents in Syria with W/T sets. They are in communication with Athens.

September 16th

The D.G. held a meeting with Harry, Abbot, Adam and Joe Stephenson and myself about a memo for the Security Executive on the subject of leakage of information via Ireland. The memo which had been drafted by Abbott, needed a good deal of amendment and struck us all as being somewhat complacent. While there is no doubt that leakage can and probably does take place, we have no concrete evidence of this fact. Censorship has produced nothing, examination at ports has produced nothing. The Air authorities say that they know of no collecting centre on the other side. If such an organisation were relying upon the casual traveller who is only allowed to go over twice a year, it would be necessary for it to employ a large number of people if it was to function rapidly and efficiently. An organisation of this magnitude would almost certainly be detected before long. We therefore presume that either the regular traveller who for business purposes has a 6 months visa or officials with fast sea or air routes would be the most likely people to be employed by the enemy as agents. Stopford is making a special drive on this category. The present port control and port censorship is by no means 100% and it seems doubtful whether an increase of staff for these purposes would be really justified. Our evidence such as it is indicates that German agents in the south are mainly concentrating on getting informa-

tion from the north. We have seen signs of a little information of no great importance going out through Italian B.J.s but probably a good deal more goes out in the German telegrams some of which amount to as much as 2,000 groups. There is a delay of 96 hours on these telegrams which go to Berlin via Switzerland.

Burt and Skardon are going over to Belfast to deal with an anonymous accusation against Col. Guinness of B.T.N.I. Burt is taking the opportunity to smooth out some of the difficulties which arose with Wickham over the enquiry into Harland Short.

I had a talk with Gibbs and Ramsbotham about the Belgian Congo. Gibbs is taking up this matter with Felix as it is not clear at the moment whether security in the Belgian Congo is for G.2 or O.S.S. It should I think be for G.2, but the approach to one or the other should be only through S.I.S. as it is technically outside our province.

I lunched with Z.O.R. who was as pessimistic as usual. He has a profound distrust of the Soviet Govt.

Fulford rang me up about Tangye's relations with Claud COCKBURN. I told him that Marker was handling this matter and I thought it might be a good thing to have an early conversation.

D.G. has telegraphed to Swinton about Gibbs going out to W. Africa.

I have spoken to the D.G. about my talk with C. and Vivian about America. He is still anxious to press for direct representation.

The D.G.'s letter to C. about A.C.E. has now been finally approved.

September 17th

T.A.R. and I went over to congratulate the D.N.I. on his promotion to Vice-Admiral and to give him one of the POGO B/E notes and a clock fuse. Rather I fear with my tongue in my cheek, I thanked him for all the help that he had given to us in connection with the work of the Twenty Committee. He seemed pleased and said that he was deeply touched. The £5 note is to be framed and a note put on the back to the effect, ~~xxxx~~ at his request, that it was presented to him on his promotion.

I had a conversation on the telephone with Viv. lasting nearly an hour about AMERICA. He said that he had gone into the question of Rothschild's visit which he thought was very unsatisfactory. He evidently distrusts Stephenson and is rather saying "That is the man to whom you propose to hand your affairs." Apparently there was no mention in the D.G.'s or C's telegram about Rothschild and this may account for Stephenson not remembering the case. He must however have signed the telegram which was in his own private cypher to C. Why it was necessary for me to argue for an hour about this I

cannot imagine. Everybody has agreed that it would be a good thing for Rothschild to go out and from our point of view it is highly necessary. It is now a month since we made the original suggestion and he is still here.

I lunched with Tange and Hyde, the news editor of the Evening Standard. Hyde explained his difficulties about making enquiries as to what was known generally in Press circles about future operations. He said that it was perfectly simple to obtain this information through a confidential contact, and I rather gather that he had in fact done so. He did however admit to me that he had known nothing of the attack on Madagascar. He said that the security arrangements for that operation must have been particularly good. When I mentioned this subsequently to Lennox he said that the cover in an operation of that kind was naturally extremely good since troops had been going round the Cape to Suez for a month. A few more or less did not make much difference. I asked Hyde about D. Notices. He told me that at least 10 people in the office would know about them before they were roneed for distribution to those who would have to know. He suggested that possibly the Lobby Correspondents Committee would be a better medium since in that case only two people would have to know before distribution was made to the necessary staff. Apparently the Lobby Committee are extremely cagey. Hyde said that he had considerable

Catalogue Reference:KV/4/190

difficulty in getting information about their proceedings even from his own representative.

I dined with Walter I gather that he has been offered the job here of Liaison Officer between S.I.S. and Donovan's outfit. He is very keen to do this work and will probably be returning here in November.

September 18th

The D.G. is away with a cold.

Viv. told me about the D.G.'s A.C.E. letter which he said as usual contained a number of near-truths which were apt to be misleading. He thought the only thing to do now was to ask Duff to see both parties separately and then bring them together. Viv. himself is going to have a talk with Creedy.

Wilson is leaving for U.S.A. tomorrow in order to coach Tricycle.

I lunched with Curry who told me that he had received an unsolicited visit from a representative of G.C. & C.S. who was in search of information about the Abwehr. He had heard that Curry knew something about the subject and as he could not get anything out of Cowgill, he had decided to take evasive action. Curry showed him a part of the proofs of his work on the Abwehr.

The G.C. & C.S. man said that that kind of information would be invaluable to him. It would make the difference of spending 10 minutes on some problem in stead of the whole day. He started to discuss the case of the "Imber" from which a bomb had been removed at Gib. There were certain parts of ISOS relating to this incident which he had had great difficulty in elucidating. Curry took him up to see Rothschild, who showed him the actual bomb and explained to him the exact meaning of certain parts of the messages. He said that all that kind of information was invaluable and asked if we could let him know any other particulars. In the ordinary way I should have felt inclined to put the full facts to C. or Viv. but honestly in the present atmosphere I do not feel that we should get anywhere. I should merely be told that the countenancing of irregularities of this sort was disloyal and disastrous and the wretched fellow from G.C. & C.S. who is sweating his guts out to do a decent job of work, would still be left to languish from Abwehr-starvation.

I had a talk with J.C. and T.A.R. about the MULLET case. It is very difficult to assess the genuineness or otherwise of

Personally I think he is working for a combination of motives. He wants to carry on his business which is quite profitable. He realises that he cannot do this unless he is allowed to move about. He will not be allowed to move

718
about unless he renders some service. He has therefore got an assignment from the Abwehr. Whether however this involves the obtaining of information about our strength and dispositions on espionage lines or for the purpose of stimulating the military clique and Canaris in particular against the Nazi Govt. is uncertain. We are going to submit the whole case to Cavendish-Bentinck in order to decide whether it should be handled on a high political plane or purely as an espionage case.

September 20th

Lt. Bedford, formerly B.O.I. Faroes, came to see me. He painted a rather gloomy picture of our D.S.O. As far as I can make out, all that Warsen does is to censor the telegrams which go out. He is a heavy drinker and whenever a ship comes in there is always some difficulty in finding him. The general form is to ring up four prostitutes and he is generally to be found with one of them. Bedford said that he is quite a decent fellow but he thinks that it is unfair to leave a man too long in the Faroes. There are 25 ports from which sea-going fishing boats go out and these are situated in different islands. From 50-100 of these boats are involved. The Faroese police who number 12 are generally useless and unreliable. The Norwegian official representatives are quarrelling with the representatives of the Danish Govt. There is no really reliable person with whom to make contact. Bedford suspects

Ihlen, a Norwegian espapee who is secretary to the Norwegian consulate and has considerable fishing interests. He arrived penniless in the islands and is now quite wealthy. It is estimated that his bill for drink alone must come to something like £50 a month. One interesting fact emerged. Ihlen is in the habit of making a careful study of all foreign broadcasts. This he admits freely to all his friends. It may be therefore that he listens carefully to the KMD broadcasts which are supposed to denote the movements of submarines. Ihlen was apparently at one time in trouble with the Norwegian Govt about his accounts. I am proposing (a) to recommend the removal of Larsen and (b) some enquiry with the Norwegians about Ihlen. We shall then have to consider what we shall do in the Faroes.

September 21st

I had a long conversation with Viv. about America. He has written turning down my proposal for referring our communications to New York to Section V. before despatch and still thinks that all such communications should go through Section V., but suggests that we might draft our own telegrams and letters. The present system might work if we were in the same building and the American Section of Section V. was efficient. But we know that in fact it is not. Moreover Viv. has admitted as much and told me that Cowgill has been seriously concerned about the matter for a long time. The fact is that we cannot go

on indefinitely. Nothing could possibly be worse than the present arrangement and what we are proposing would be infinitely better even if the lines did get crossed from time to time.

I had a meeting at Kinnaird House about Ireland. Capt. Altham, the Admiralty Censorship representative, got rather excited about what he described as the lack of security measures at the ports. This aroused the D.G., who gave him a raspberry. Altham was asked to give us any evidence of leakage but clearly he had none. I talked to him afterwards and explained more or less what we were doing with regard to placing agents on ships. He seemed fairly satisfied. The general feeling of the meeting was that the present measures were in all the circumstances as adequate as could be expected.

Janson of N.I.D. is probably going up to the Faroes and will give us a report on his impressions.

Bailey of New York came to see me about our communications under the new arrangement. He had been to see Jelf but said that he had never found anybody who knew less or was likely to know less about any arrangement of the kind. I said that our idea was to communicate in one-time table, that the position of Stephenson as representing the Security Service in the Caribbean area had been settled but that S.I.S. were still jibbing about our have direct communication

on matters which affected ourselves and the F.B.I. Bill Stephenson called in a little later. He said that he understood that this matter had been settled. I explained that he was under a misapprehension. I had thought so too when we drank a glass of port to celebrate the new arrangement but that during the course of that afternoon I had been disillusioned, after seeing C. and Viv. Stephenson thinks we should have direct communication and can see no harm in it. I spoke to him again about the F.B.I. and ISOS. I said that I was still in ignorance about what had been decided. He said that as far as he knew no fiat had been given in the U.S.A which gave ONI exclusive rights. He thought now that a committee had been formed at which ONI, G2, Coastguards, F.B.I. and F.C.C. were all represented, this matter could be fairly easily settled. He was all in favour of coming clean to the F.B.I. This is also Bailey's view.

September 22nd

Forrest came to see me about a talk that he was proposing to give to the Special Branches in his area. He had been asked to say what exactly was expected of the police in the matter of catching spies. He was inclined to tell them that except in the case of parachutists or people landing illicitly in rubber boats, there was little they could do without guidance from ourselves who had special sources of information. I said that roughly speaking I thought this

was correct. On the other hand we did expect the police to know as much as possible about subversive elements and aliens in their area and that it was not sufficient in our view for them to say that a man had not come to adverse notice. It was necessary as far as possible to obtain positive evidence of a man's bona fides or otherwise. This could only be done effectively through a network of informants who had made actual contacts with the the suspects.

I attended the D.G.s meeting. Charles Butler told us that the emergency accommodation which had been earmarked for us in the event of S.J. being bombed had now been allotted to someone else. At the moment we were therefore without any emergency headquarters. He was taking the matter up with the Office of Works. I said that as the Service Depts. all had something in the nature of a battle headquarters, we ought to have something of a similar kind, and that it would be useless to move into any old building which was not properly wired up to all offices with which we were in normal contact. My remarks appeared to fall on stony ground.

Curry caused slight consternation by announcing that he thought that officers of the Security Service were not sufficiently informed about the German Intelligence Service and mentioned the Sicherheitsdienst. It was quite clear from the look on every-

one's face that none of them had ever heard of the SHD or had the slightest idea what it was. Only Kenneth Younger was honest enough to say so. I took the opportunity of pointing out that this was a matter of some importance, particularly to Kellar who was by way of dealing with the Middle East, but was not in B. and also to Ramsbotham. The D.G. seemed to think that Kellar was solely concerned with political movements and when I said that he was really the only recipient in the office outside ISOS of information regarding the Middle East, the D.G. more or less said that the Middle East could look after itself. He was evidently quite determined that no alteration in the status quo was necessary. The position is of course that Kellar and Ramsbotham are intimately connected with the ISOS but are located in a division which has nothing to do with ISOS. Kenneth said that Ramsbotham was able to deal, under Dick's guidance, with the American cases and carry his security liaison as well because so little data had up to the present been received from the United States. If however as a result of our improved relations with the F.B.I. information was going to flow more freely, he would have a full time job in dealing with it and somebody else would have to take on his security duties.

T.A.R. talked to me about more use being made of his D.A. experts throughout the Empire. He had India particularly in mind. He told me that Peter Fleming was on his way back from India and I suggested that

784
he might wait and have a talk with him. In the mean time he might get in touch with Vickery and get his views on how far the D.A. system as operated here could be applied to India. Anybody going out would obviously have to work in very close contact with D.I.B.

I had a meeting with Dick and Curry about bringing Curry's work on the Abwehr up to date. Hart and Gwyer feel that it is difficult to deal with subjects such as the Middle East and the Iberian Peninsula without the detailed knowledge which must be reposing in Section V. It would I think in present circumstances be impossible to ask Section V. to make a further contribution since they are so hard-worked and under-staffed. Their previous contributions were not worth very much. We decided that it would be best to write up special subjects such as the *Wirwehrt*schaft, *Sicherheitsdienst*, *Technische Luftwaffe*, and also new trends in the various areas, e.g. the use of trawlers in the Atlantic, the *Sofia Meldekopf* etc. In another 6 months it was to be hoped that Section V. would be in a better position to make a contribution.

We also considered the desirability of getting the Middle East to report in more detail on their own affairs. I said that I doubted whether they would ever get an opportunity of standing back and surveying the whole workings of the Abwehr in their area. They were probably engaged the whole time in taking ad hoc action.

In the evening I went down to Tring with Victor and Duff-Cooper. He talked to me about A.C.E. He said that he had only taken a cursory glance at the papers. He thought the D.G.s letters were admirable and that our complaints were really justifiable. He evidently did not think much of C's replies. He said that clearly all three organisations should be under one head and in one office, but that this was an ideal which could not be realised in present circumstances. The only thing to do therefore was to make the machine work as smoothly as possible by minor adjustments. He thought that it would be difficult to uproot Glenalmond and that therefore we should make a gesture by sending people down there. In return for this we should get adequate guarantees from them that in future we should get all we wanted and as rapidly as possible. I said that I was absolutely certain that operating from the country only led to stagnation. I was convinced that Glenalmond could move not only without dislocation but with considerable advantage to itself and that a good many of the workers there were similarly convinced. I thought that the via media which we had suggested would be a good step since nobody would relinquish any of their present responsibilities, but things would be speeded up and friction avoided. I do not think that communication would necessarily present any great difficulties since lines that we were now using to Glenalmond would be available for them to use for communicating with their registry etc.

As regards their scramblers they could bring