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A.

ABBOTT, D. C. H.	423
Abwehr: Cover addresses	145
Memos re	130, 331
"Achilles"	6
Adam, Col. (USA visit)	284
Africa, North	12, 14, 338
South	25, ¹²¹ 133, 146, 171, 173, 363
West	74
Agents, Arrival of	312
AIKEN-SNEATH	130
Aircraft over Aberdeenshire	409, 413
AIRY, Major	33, 399
Alacrity Expedition	97, 105, 115, 122, 185, 237, 252, 348, 367
Aliens Restrictions	300
America, correspondence with	186
American Representation	26, 32, 47, 50, 54, 62, 78, 83, 88, 89, 92, 95, 100, 117, 120, 123, 133, 138, 142, 147, 160, 166, 170, 205, 211, 215, 234, 235, 243, 246, 251, 258, 262, 263, 273, 278, 335, 338, 344, 369, 391, 406.
Catalogue Reference: KV 4/192	

ARCHER, Liam	323
Argentine, The	14
"Arthur", Source	150
Artist	410
Aspirin	410
Attaches, Service & Civil	396
	<u>B.</u>
B.1 Registry	143
"Bastler"	397
BAVIN, Inspector, RCMP	242
BEDAUX, C.	418
Belgians, Lunch with	357
BERTRAND	272, 328, 343, 382
BLACEK	221
Black List Extrajudicial	257, 394
BLUNT, P 604552	212
BONNEFOUSSE & PAILLOL	30, 68, 129, 408
BOOTH, J., re N. Africa	338
BOULAY, N. de	388, 390, 422

BOUVERIE, B. 64, 93, 126

Brit. Subjs., policy
re arrival of- 138

Bronx 141

BROOMAN-WHITE 381, 402, 412

Brutus 114, 168, 193

B.S.C-R.C.M.P.L liaison 76

B.U.F. 87

C.

Camp 001 422

CASABAYO 54

CASEY, D. 35

Censorship 9, 37, 266, 276, 286, 302,
310, 364.

Ceylon 198, 399

CHICHAEV 45, 76, 101, 268

CHIPPERFIELD 295

CLARK, Col. Dudley 299

CLARK, Humphrey 141

COCHET, General	364, 372, 408
Colonial Commitments	39, 40, 198
C.P.G.B. Cases	240, 267
CONRAD, Col.	152
Counter-Sabotage in the field	260
Cover Addresses	410
COWGILL, Felix	21, 24, 44, 176
CROCKATT, Brig. Gen.	64, 65
CUENCA	345
Cypher Security Cttee	330, 343
Czech Decorations	396

D

D. A. .	31
DAY, P.	143
Deception	46, 70, 104, 107, 144, 163, 173, 175, 178, 203, 344, 347, 388, 422,
Deserters	281
Diamond Smuggling	197

DICKSON, J.	305
DIXON, C.	75, 77, 85, 129, 334, 337, 342, 346, 356, 383, 385, 398 423.
D. N. I. Ottawa	421
Do"-Gerät	91, 171, 209, 275, 298, 324, 371, 385, 402, 408
Defence-Regulations	119, 142, 157, 158, 159, 164, 165, 169, 179, 183, 190, 200, 205, 213, 222
Drake	281
Dublin Legation W/T	374
Duff	96. 177
Duff-Cooper, Mr.	295, 389
DYKES	183
D. 4	50

E.

EASTWOOD, C.	21, 118, 138, 153
"Edenvale"	21, 55, 118, 138, 153.
Eire Escapees	284
ELFERINK	352
Empire Policy	417
ENDERS, R.	381

ERIKSSEN, My. 8

Escape Stories, policy re 402

F.

Father 194

FAWCETT 304

"Fernplant" 116

FROST, Maj. 108, 170, 184, 197, 287
307, 320, 328, 335, 360
393, 398, 423

FEYGUINE 108, 343

Finnish T.U.C. 255, 265

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27
THIS IS A COPY
ORIGINAL DOCUMENT RETAINED
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3 (4) OF THE PUBLIC RECORDS
ACT 1958. Doc 2000

French Airmen 343, 350, 366, 373

French Intelligence 408

French Liaison 30, 35, 329

G

GANSHOF, Gen. 216, 357

Garbo 54, 57, 60, 125, 178, 199

Catalogue Reference: KV/4/192 211, 266, 280, 386

GARCIA, P.	65, 163
German Army	255
German Collapse	362
German Committee.	277
German Legation, Dublin	374, 397
Germanism	191
GIBBS, R.	326, 399
Gibraltar	38, 43, 67, 78, 95, 116, 348, 381
GIRAUD	51
Glider Bomb	180, 223
GOERTZ	189
GOODACRE, Capt.	61
GOWER, Col.	377
Greek Armies Revolt	35
GRIMALDI, F/O	6, 31
G. 2 (ETOUSA)	20

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

H.

HAFNER	179, 190
Hagana, The	36
HALDANE-PORTER, Mr.	22, 28, 30, 221
Hampshire, Shair HANSEN	275 145, 162
HANSEN, N.	252, 257, 259, 260, 264 273, 283, 284, 293, 296
HARMER, Capt.	197
HARRIS, K.L.	29. 85, 155
HEAP, W. J.	96, 163, 211, 328, 382
HELMUTH	291, 296, 304, 361, 378, 401, 405, 411, 412
HENDERSON, Col. (DSO Trinidad)	61
HESS, R.	307
HILL, Col. (SOE Moscow)	268
H.O. Liaison Officer	179
HOEFFELS	259
HOPPE, W.	346, 382
HORSFELL, ERTZ	190

HOYSE 57, 86, 106, 151, 171, 185, 308
360

I.

India 147, 198, 199, 224

Indians, Internment 77

INGRAO 233

Internment 119, 224, 378

Italians, policy re- 325, 376

Italy 60, 61, 72, 77, 81, 89, 97,
113, 114, 140, 150, 154, 166,
179, 188, 191, 195, 200, 204
210, 213, 215, 224, 227, 234

J

Jane's Fighting Ships 156

JANSEN, J. 8.12

Jap B.J.s 28, 61, 109, 115, 125, 154,
308, 373

Jap Espionage 199, 280, 401

JEBSON, J. 279, 292

J. I. C., future of 323

J. I. C report on
German collapse 362

JOB 359, 388, 399, 413, 416, 420
422

JONES, R. 162

JOSEPHINE 104, 189

JUDE 343

Jugoslav Mission to
Mid East 22, 28, 30
(see also under HALDANE-PORTER)

K.

Key Points List 327

KNIGHT 291, 308, 358

KOBBE 53

KOESTLER 20, 94

KRAFT, Mrs 190

KRAMER, Gen. 20

L.

LAGALLE 105

LALOUX 272

Leakages 101, 321, 329, 336, 420

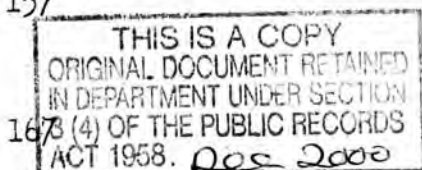
LECUBE 188, 190

Lemonade, Plan	32, 64
LENNOX, Lt. Col.	379
LEON	329
Levers Optical Co.	348
Lifebelt, Operation	32, 46, 49
Lipstick	253, 265, 293, 314, 391
Loewy Engineering Co.	293
LUKE, Major	116, 140
LUKE, C.	43
L. R. C.	14, 50, 139, 179, 299, 314, 378

M.

M. A. s (Neutral)	7, 41, 46, 54, 309
MAASON	92
MacDERMOT, Major	382, 389, 414, 415
MAIR, Capt.	31, 59, 185, 198, 356, 363, 415
M. A. P. Case	321, 326, 330, 336, 360, 364
Marita Case	160, 189, 267, 284

MARTEL Bros	108
MATTASS	399
MAUNSELL, Col.	258, 348
Max Traffic	147, 156, 181
MAYR, F.	143, 163, 351
MEDLAM, Col.	125, 132, 140, 152, 153, 157
Meteor	167
Metropolitan Police	151, 173, 284
Mid East	34, 35, 38, 56, 239, 240 254, 258
MILLS, Mr.	90, 134, 135, 170, 239
MILNE, R.	240
Mohne Dam Raid	182
MONKEY, see <u>Swedish Agents</u> .	
M/S.	267, 282, 421
Milo, Prince	277
M. S. S.	370



Mutt & Jeff

58, 66, 93, 114, 193m280,
293, 313

N

Neutral Diplomats 309
see also M.A.s.

NEWSAM, Sir F. 102, 293

O

O20 49

Oatmeal, Plan 64

"Olterra" 281, 290, 381

Oratory Schools 185

OSNOVIENENKO 376

O.S.S. 44, 64, 102, 172, 189, 202,
410

OTTLEY, B. 399.

P

"P", Gerard
(PLOIX de ROUTROU 107

P.Sections, S.I.S. 139

Pair Fishing Co. 195

Catalogue Reference:KV/4/192

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

Palestine	162
Peace Proposals(Neutral)	212, 254, 312
PECKEMA, D.	145
PERCH	402
PERRIGOE, B.	189
Persian Railway	100, 259
PHILLIPS, C. B. C.	285
PinL37	133, 381, 391, 392,
PHIPPS, Major	194
Phoney Transmitter	86, 176
PIASECKI	197
Polish Pilots	351
Plan Dream	53, 194
Plan Bunbury	100, 102, 108, 117, 127, 137, 140, 141, 144, 146, 149, 151, 154, 157, 167, 179, 220, 314
P.M.'s report	3. 15. 92, 215, 273, 809, 358
Purple Primer	40, 52, 177, 415
P/Ws	10, 67, 289

Q.

Queen of Hearts 116

R

RAMSBOTHAM, Mr. 136, 346

Rankin, Operation 365

RAPPARD 272

RAWDON-SMITH, Dr. 420

REID, Capt. 153, 185, 223, 384, 392

Repatriation 69

"Ricardo" 163

R. S. C. 226

R. S. L. O. Conference 136

R. S. S. 165, 169, 178

RUIZ, J. 162

Russian Trade Unions 276

S

Sabotage 349

"Sanitary Reference" KV/4/1922

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

SCHULTZ, W.	194
S.D.	163, 275
Second Front Plans	4. 8. 11. 18, 23, 29, 31, 32, 40 46, 55, 70, 158, 172, 197, 204, 235, 271, 273, 274, 275, 283, 284, 288, 299, 310, 312, 344, 356, 357, 365, 366, 367, 394, 395, 411, 415, 422 (1, 3, 10, 13, 15, 16-18, 19,
Security Service	(87, 94, 393, 403, 405, 355, 376, (391
"Sherlock Holmes" film	2
Sibiril Organisation	104, 361
Signals Security	100, 104, 145, 164, 169, 185, 218, 222, 223, 226, 256, 270, 309
SIKORSKI, Gen.	7
S.I.M.E.	328
Sincerity, see Vault.	
SITTIG	86, 127, 132, 363
SMUTS, Field-Marshal	417
S.O.E. agents	382
S.O.E. cases, internement	224, 234

Springbok	164, 168
SPRINGHALL	31, 71, 75, 208, 241, 350
Starkey, Operation	144, 158, 175, 200, 212
STILES	423
STILWELL	159
STOCKMAN	15, 152, 174
SULZER, H	187, 212
S/W	135
Swedish Agents	254, 265, 381
Swedish M.A.	7, 41, 54
	(see also under <u>M.A's</u> , Neutral)

T

Tate	179
TAYLOR, D	290
THOMAS, G.	118, 139
Traffic, Approval of-	388
Tricycle	7, 53, 93, 114, 116, 149, 151 185, 193, 199, 222, 229, 256, 279, 391, 410
Trinidad DSO	61, 65, 86, 121, 125, 140

U

"Untamed"	36
U. 35	409

V.

Vault, Operation	32, 53, 64
Vetting	247, 285
Victoire	109

W

Watchdog	19, 149, 167
WEITHARDT	51
Who's Who (Gwyer)	263
WIERT, Gen. C. de	180, 227
"Window"	71
WITT, O.	37
Worm, the	93
W/T, German see Phoney transmitter.	

X

XX in the field	288
xxx	309

Y

YAMAMOTO, H.

84

YOUNGER, Major

63, 64, 67

Z

ZECH-NENTWICH

116, 121, 125, 128, 168,
170, 189, 194, 215, 229,
234, 245

1

July 1st

Charles told me that he had just been having a talk with Duff. Duff seemed worried about the D.G. and wondered whether he would stay the course. If he did not, who was going to take over. Duff is apparently anxious to promote from within. Charles said that even if he wanted to he would be physically unfit to do the job. Duff had apparently mentioned various names including Lennox and Victor. My name was also mentioned but the feeling seemed to be that I was more suited to the Intelligence side of things than the administrative side and that I should be somewhat wasted in the position of D.G. Charles said that he really ought to talk to me about the whole position. He said that he would do so and seemed anxious to get hold of me at the earliest possible moment.

July 2nd

Orr came to see me and told me that he had had a long talk with Duff more or less on the lines of the conversation that he had had the previous week with me. It was his view that it was extremely to have the D.G.s succession worked out. If by any change the D.G. fell down, a new man might be put in from outside and a combination of him and the D.D.G. might be disastrous. He thought that my talents such as they are would be wasted. He thought however that I ought to have a far greater measure of independence to

do what I wanted within my own sphere without reference to anyone else. What he thought was necessary was to get some suitable person in as D.D.G. who could step into the D.G.'s shoes when he left. He did not as far as I can remember suggest any particular person. When he talked to me today however it was clear that the individual he had in mind was Lennox, and he had evidently sold this idea to Duff. He asked me what I thought. I said that I did not think that the office would take Lennox's appointment and left it at that. I cannot quite make out whether the idea is Orr's or Lennox's. Orr assured me that Lennox would not dream of putting himself forward for such a position unless he thought it had my approval.

Brook-Wilkinson asked me to go up and see the Sherlock Holmes film which I had seen some months previously. It has now been drastically cut and altered. The Chiefs of Staff Committee has now become the Security Council, which appears to be largely a civilian body. Very little is seen of its deliberations and Sherlock Holmes is already a member of the Council when the film opens. The film is so obviously overdramatised that even those who have never heard of Sherlock Holmes could not regard it as anything but fiction. If there had been any question of showing it in 1940 I should have voted against it but in present circumstances I cannot see that it will do any harm.

I took over the M.T.5 report to Duff. He suggested that we might give the P.M. a 2 or 3 page report on the GARBO case, which he felt would arouse his interest.

Duff then talked to me about the office, although I had to wait some time before he came to the point. He told me that he was rather worried about the succession problem. He had been turning over in his mind various possibilities. He had thought of Victor and others. He then said to me "I suppose you would not do the job?" I said that I believed the view taken about me was that although I could carry the Intelligence side of things, I was not a very good organiser, but that I should like to have a shot at it. He said he did not think it had been exactly suggested that I was not a good organiser, but that it would be difficult for me to give my attention to the Intelligence side of the business if I had all the outside jobs to do as well. He asked me to turn over in my mind whether there was anybody in the office whom I thought suitable or, if I wanted to do the job myself, was there anyone who could give me the requisite assistance on the administration side. He was in rather a hurry to get away and suggested that I should come and see him some time next week. I told him that I did not think it was true to say that the D.G. was failing in health or energy and that in many ways I felt his departure might have a disturbing effect. It would be difficult at this stage for anybody else

coming in to do any of the drastic re-organisations of C and D Divisions etc. until after the war. There were many things which were clearly not right but it would cause a major upheaval to get them altered after 4 years. He agreed with this. I told him all my difficulties with the D.G. but said that latterly I thought he had got more susceptible to argument. At moments he was extremely obstinate and he probably thought I was equally obstinate. On the other hand he had very fine qualities, backed up his staff and fought their battles with outside departments. Duff said he thought that there was no hurry in the matter. Some people had got rather excited about it but he could not envisage anything happening for 6 months or a year or possibly until the end of the war. I told him that in fact the D.G. was not now over-worked. Had this suggestion come a year ago it would have been different. The work of the whole department has declined considerably during the last 2-3 months. It may of course revive again but there is no likelihood of its reaching the 1940 pitch.

July 3rd

I lunched with Maj-Gen. Whiteford, who is DMI Cossack. I told him as much as I could about the work of the department and our relations with S.I.S. I said that he might hear of differences between ourselves and SIS but that what we really felt was that the 3-mile limit in the zone of the armies did not make sense. We clearly had something to contribute

to the I.B. staff on a purely functional basis. S.I.S. also had something to contribute but did not cover such a wide field as ourselves or have the same kind of experience. Personally I thought there was a place for us both. I told him how we were trying to assist the S.I.(b) units and that wherever there was such a unit we ought to have an independent I.B. officer to give effect to the information received. I thought also that we should have someone with CCAO. He agreed to all this. He was anxious if possible to get someone in due course for Cossack. In the meantime he would like Fleetwood Hesketh to make contact with the officer designated to go with Cossack. He thinks too that we should probably be called upon to have an officer both with our Force Headquarters and if possible with the Americans. We then discussed the training of the I.B. staff. He immediately agreed that it was seriously deficient. He was very anxious that we should get a course going both for I.B. and G.2. Altogether I think the meeting was quite helpful. He is proposing to send a letter to Vale in an effort to get things moving. I told him not to do this until I had had a word with Harry. I would give him a ring on Monday.

July 4th

I spent the weekend with Harry. I told him about my talk with Whiteford. He was very glad it had taken place. He thought that a meeting early next week when he comes back to London would be advantageous. In the

meantime he thought it would be quite a good thing if Whiteford wrote a letter to Vale. Vale might be induced to move rather more quickly if he got the same thing from two different angles.

July 5th

Burt talked to me about HMS "Achilles". There are now 5 witnesses who state that the cutting apparatus was left in the oil tank which was under repair. There was clearly a leakage of gas which led to the explosion. The man who owns the cutter and was not present owing to illness denies that he left it in the tank. There ought clearly to be more specific instructions about this dangerous gas. This case raises the question of our locus standi vis a vis Admiralty enquiries. Lewes is always anxious to call us in. On the other hand B.5 are supposed to deal only with cases of sabotage or suspected sabotage. The Navy could really deal with an investigation of this sort itself, since there has never been any suggestion of foul play. Equally in the case of "Untamed", Edwards has been in Scotland waiting for the submarine to be raised and clearly he can do nothing until the technical experts have given their opinion. It seems to me a waste of time to send out B.5 on jobs of this sort. I am proposing to talk to Lewes about this.

TAR tells me that young Grimaldi has been killed in an air accident. He was visiting his brother in the outer Hebrides and the

plane on which he returned has not been heard of. This is a real tragedy for us since, apart from being a nice little chap, he was doing a very valuable work in B.L.A. In addition to his normal duties he has been impersonating Garbo's agent no.6 in N.Africa

TRICYCLE is off in a few days to Lisbon. He has a mission for the Yugoslav Govt. which entails getting Yugoslavs out of Switzerland for enlistment in the Yugoslav army here. As revealed to the Yugoslavs in Madrid and Lisbon that TRICYCLE had some mission to the English, a letter has been got from Cavendish Bentinck which gives him an introduction to Hopkinson and makes it clear that the English are anxious not to recruit Pan-Serbs. He can show this to Khastoff if necessary.

Stewart rang me up to say that there was a ZIP message indicating that the Swedish M.A. in this country had learned that we intended to make a concentrated attack on Sicily. The P.M. had seen this and was angry, and has asked Eden what use these foreign M.A.s are in this country and whether we get anything of a reciprocal kind from Sweden.

News has come through that SIKORSKI has been killed in an airplane accident at Gib. There is no news about the cause of the accident. The runway at Gib. is very short and it may be that the plane just failed to rise and went over the edge of the Rock. The incident has caused a serious flutter in the Polish

8

cries of sabotage and treachery. It seems likely that the political and military side of things will be divided.. Gen.Anders from Mid East is regarded as a possible military commander; and ZALEWSKY as a politician who though conservative is more liberal-minded than most and would not be too antagonistic to Russia.

The LRC have picked up an agent named Jacques JANSEN. He is an ISOS character but not very easily identifiable. The LRC had him indexed from the story of another agent brought back from Trinidad. The examiners have not been shown the traces or informed about the information from special sources. We are anxious to see what they make of the man's story, if they are forced to treat it purely on its merits.

I saw Maxwell in the afternoon about the suggested exchange of My ERIKSEN with one of C's agents. Maxwell has no objection. Negotiations have advanced a little but at the moment are far from reaching a stage where an exchange can take place. I went on to see Duff and explained to him about the Zlr message which had so interested the P.M. I thought he should know about it since he was taking the MT5 report to the P.M. today or tomorrow.

Aston the G.II, I.B. for Lifebelt, came round this afternoon. He seems an extremely sensible fellow and knows what he wants. He has already had experience in Madagascar. It is clear however that in Lifebelt our position

is somewhat different from what it would have been under Vault. If Lifebelt does come off I am inclined to doubt whether it would be a military operation. All Axis nationals would be arrested, the consulates occupied and also the local police headquarters and cable company. All documents would be sent back here for examination. At the same time Aston was relying upon the FSO to carry the civil security side. As this officer will be engaged on port duties and is not very suitable, Aston would like an officer from our department though perhaps not such a senior one as Stopford. In the right set-up I rather feel that Stopford ought to be doing Aston's job. Outside a limited number of interpreters, nobody seems to speak Portuguese. What strikes me as being remarkable about the whole situation is that it should be left to Aston to negotiate privately about sending an officer with the party. What ought to happen is that a meeting of the responsible M.I. authorities in the W.O. should take place to decide who should go. The whole plan of Lifebelt will entirely depend on Lemonade and I am inclined to think that like Vault, Lifebelt will ultimately fade into obscurity.

Going down in the train on Saturday for the weekend with Harry, I met Herbert of the Censorship. He had just returned from the USA. He said that Hoover was getting more and more difficult. He was now against everybody and was even refusing to pass his material to censorship in case they should pass it on to OSS or some other department.

Herbert who had evidently been in close contact with Viv., thought that we should present a uniform front against Hoover. When I saw Duff today he said that Herbert had been to see him and said much the same thing. I said I thought our problem was a simple one. We were two analogous bodies who wanted to talk to each other directly.

This could easily be achieved if Mills were put into the Bureau as the opposite number to Thurston, and making him subordinate to Stephenson. The snag was that Stephenson and Security Co-Ordination were persona non grata and such an arrangement would therefore be bound to fall down. It was impossible to get rid of Hoover and there was nobody other than the FBI who could deal with C.E. in N. America.

According to a P/W report a Major General, G.O.C. German Air Defences in Tunisia, states that when he was in Norway before the 1940 invasion period the German troops there had orders to stage a mock invasion with the idea of drawing off the British fleet to the east coast. A number of craft were to be escorted by fleet units and with air cover, but they would not be carrying any soldiers.

July 6th

I saw Charles today. He is quite clear that Duff asked Orr to come and see him, but that since Duff had never previously heard of Orr it must have been at the suggestion of Lennox. Conceivably Lennox may have said something

At the suggestion of Whiteford, Brig. Barker Benfield, who is the DMI designate for the 21st Army Group in Roundup, came to see me. I went over all the ground of this office and the contribution that we could make to Second Front operations. He has suggested to Vale that we should supply 2 G.IIs, 3 G.IIIs and 2 or 3 I.O.s. He is quite emphatic that I.B. should control any security matters which may come under the CCAO. In general he takes rather a poor view of the CCAO's organisation. He thinks that when things settle down the French will hotly resent any sort of colonisation by ourselves, and CCAO's department will be reduced to the size of a liaison mission. It seems that while the lecturers are good, those attending the CCAO's course are mostly Army rejects and not particularly intelligent policemen, and others of somewhat poor quality. I explained to Benfield what I understand to be the functions of the S.I(b) unit; I said that at the moment its relations with ourselves or with any officers we gave to the I.B. staff were somewhat obscure. I thought that our best contribution would be giving advice on general security measures and on giving effect to the information obtained by the S.I.(b) units. Benfield seemed pleased with the information I had given him and was very anxious to keep in close touch. As soon as the 21st Army Group is formed he is very anxious to have an officer from this department as an adviser on Security matters. I told him about our difficulties with M.I.6 which were aggravated by the fact that up to the moment we had been given no positive

commitment. In order to plan ahead and get people properly trained, we wanted to know precisely what number of officers were expected to provide and exactly what they were expected to do. I told him about the visit here of Aston which was rather typical of the present situation. Benfield seems a sensible person and at any rate realises the dilatoriness of the military machine.

July 7th

At the Wednesday meeting Hart stated that the man previously referred to as Jacques JANSEN is Joseph Henri Pierre JANSSENS. This man had the same cover name as STEINER, both came from Antwerp and both were Einz Marine agents and came through France, Spain and Portugal. The result of this has been that the Abwehr have got them thoroughly muddled up. We have however been able to sort them out. JANSSENS is at 020.

We have had a request from Kenneth Strong in North Africa for a counter-sabotage officer. It is not clear whether someone with general knowledge of counter-sabotage is required or an investigator with technical knowledge. We have wired back giving the qualifications of John Mair and Skardon and asking precisely what is required and where the officer is to operate.

I have had a talk with TAR and Dick Butler on the succession problem. Both of them seem to think that I am the only person in the office to do the job and that I should take it if it is offered to me.

There are two rather good stories going round about the Americans in Tunisia. When the Americans were attacked at Gafsa they apparently ran pretty fast. A British General seeing an American General, asked him if he could do anything to steady his troops. He replied, "Well, General, if you could have seen those fellows on manoeuvres, they were just dandy, but I guess that right now they're plumb scared". The other story is an imaginary conversation between Eisenhower and Monty. Eisenhower told Monty that he was giving him 100,000 troops. Monty then enquired about the quality of the men and Eisenhower replied: "Well, General, I guess they're like a bunch of bananas". Monty asked exactly what this meant. Eisenhower replied: "Those who are not green are yellow, and those that are not yellow are rotten". I am not quoting these stories in any malicious sense but merely because they are rather funny. It does ~~not~~ seem that the Americans regarded Tunisia largely as a training ground and it must be expected that you cannot build up a trained army of 7 millions in 18 months. Everybody has to go through hell-fire and gain practical experience by their mistakes.

There have been 687 arrivals in June at the LRC. This included a large number of Frenchmen. Examination could not be so full as usual.

It is clear from the stories of some of these people that our organisations in France and Belgium have been very seriously penetrated by the enemy and that a large number of arrests have taken place.

Evelyn Baring has returned from the Argentine and he told Ned that the Argentine was likely to be in the war in about 6 weeks time. They apparently want to get certain of their ships home first.

July 8th

Burt tells me that an inspector at the Yard named Richardson had been asked to go to North Africa to do counter-sabotage work. He had apparently been recruited by A.G.II. I asked him to enquire further and it eventually transpired that Richardson was wanted to deal with subversive activities in factories and ca' canny. It seems that he will probably be wanted for Italy. He is I believe a good CID officer but the fact that he does not speak Italian will detract considerably from his value. I should have thought that this was the kind of job which could perhaps have been done more effectively by someone like John Mair. I presume that Richardson will join the CCAOs staff. He is going out as a Major, whereas Skardon, if he goes to N. Africa on counter-sabotage work will be a GSO 3. This is one more instance

15
of the general inefficiency of the W.O.

I lunched with Roger Hollis, with whom I discussed the succession problem. He too thinks that I should take it. He is also of the opinion that a change at the top would be a mistake. A change in No.2 would be an advantage in some ways but might give offence to the D.G. and only make my position rather more difficult. Dick who is not particularly well is going through a very acute phase of general frustration. He thinks that the office has failed lamentably in winning any of its battles with other depts. and probably this would not have been so had it been militarised. He is strongly of opinion that a new head of this dept. at this moment would not really do much good. He feels very definitely however that I should take the job if a crisis arises and that the succession question should be definitely settled. He takes more or less the same view about Harker as the rest of us.

Duff asked me to go over this afternoon. He gave me back the MT5 report which the P.M. had read with interest. He had said a word to the PM about the STOCKMAN case. The PM was horrified and thought quite definitely that something ought to be done. He wishes to be kept informed.

I told Duff that I had been thinking a good deal about the succession problem. I had gone over all the people in this office and although I did not wish to appear conceited I was certain that if I did not do the job

there was nobody else. I could if he wished give him a pen-picture of anyone who might be considered remotely possible. He asked me what Lennox did. I told him how his job had grown up. He sat on the ISSB and kept S.I.S. and ourselves informed about operations. This was useful to C. and also on occasions to SOE. C. for example would wish to prevent CCO from carrying out a raid on a part of the coast where he was in the habit of dropping his agents. It was useful to us to know something about future plans. Lennox also covered secret trials. This involved sending Boddington to a particular area either to get the local gossip or to see what general security measures were being taken. I thought that what he did he did quite well, but that it did not amount to very much. I did not think he qualified for a big job in the office. Duff then asked me about Orr. I said I thought Orr was slightly neurotic. I recalled the occasion on which he had got extremely excited at the Scrubs and walked up and down my cell telling me that we were all going to be sacked and that Frost was going to take over. He had said the same thing to Victor and we had both said that he was slightly crackers. I did not think that he was by any means a fool. His work was extremely well done, but he was inclined at times to get an exaggerated view about things and become melodramatic. I said that both Dick, TAR and Hollis were all extremely good and that Dick was perfectly capable of running B. Division if it was considered that I should move up. I then said that if there was to be a change at the top

I should like to be considered a starter. I did not however think that any change at the moment could be particularly beneficial. It would not be possible to alter a great deal and the re-shaping of the office would have to take place in the light of our commitments after the war, and anyone taking over the dept. would want to know exactly what those commitments were before he began to pull things about. On the other hand there were a number of minor adjustments that could be made immediately. As regards the post of DDG and the succession I did think that there might be something to be said for making the position clear now, instead of waiting until a crisis arose and running the risk of having someone imposed on the organisation from the outside. If it were considered that Harker should go and that I should move up, there was some doubt as to whether this would be of any help to me in getting things put through. The D.G., though possibly aware of Harker's weaknesses, felt that he had accepted his position as No.2 with good grace and that he had been both willing and helpful. He would therefore be reluctant to get rid of him, and if forced to do so might resent my intrusion. I did not think that any great harm could result from allowing Harker to remain. Inside the office he was no help to anybody since he seemed incapable of making up his own mind about anything. Outside the office he did not really affect me but he did to some extent F. Division. I had not been out with him for some time, but in the past he had always made me extremely uncomfortable. His manner seemed all wrong

and he never knew very much about his facts. One thing I thought should be made clear was that if the D.G. went Harker should go with him.

I then had a somewhat academic conversation with Duff about what the status of this office should really be in time of war. I entirely agreed with Dick's view that if we were starting again we should be militarised and that we or the Service had suffered in consequence. It was however in my view extremely important that if we were militarised we should play direct to the Chiefs of Staff. It would be the greatest mistake for us to become entangled in the bureaucracy of M.I. Quite clearly however we ought to provide basic training on security matters for all the Services. Training of the IB staff was grossly inefficient. Except for what is known as purely military security, namely the security of documents, passes, etc. we had been performing all the IB duties for the Armies in this country. They had not felt the draught in Libya because there was practically no civilian population and because they had SIME at their backs. Now they were just beginning to realise the position. I told him about Vault and the sketchy way in which the whole thing had been prepared. Nobody in the W.O. seemed to be directing these things, and people of quite low rank strolled in here in order to pick up a little information at the 11th hour. In the case of Lifeline we had been visited by the G.II IB who was discussing whether or not we should lend him

an officer for the expedition. The whole thing of course ought to be cut and dried and we should receive a definite commitment from the W.O. I thought that possibly things were moving slightly in that direction.

I left Duff with the impression that if there was a re-shuffle in the office I should like to be considered a starter, and that although I was certain that as long as the D.G. remained in good health a change was undesirable, there were grounds for considering whether DDG should not be asked to resign. I gave him the pros and cons of this point. He was very pleasant and as I went away he told me to come and see him at any time and to let him have my views on any aspect of the problem which might occur to me.

July 9th

Bronx has received another payment of £85.

There is a suggestion by the Germans that Balloon should visit Lisbon if this can be done without compromising him.

A message was received from Dragonfly last night but owing to German mistakes they could not decode it. There has been further publicity in a local newspaper in Canada about Watchdog. A final attempt has been made to ascertain whether the the Germans have any real intention of sending out saboteurs or others to join him. If this seems unlikely

20
he may be sent to this country.

Foley has got back from Lisbon after a series of interviews with . . . The latter is building up his position with the idea of being the principle representative of the German ISin Portugal in the event of an Allied occupation of the country.

seems to have had some knowledge of previous conversations with the Portuguese Govt. on this subject which he received from Carlos TAVARES, said to be a personal friend of Salazar.

Tate has now got a job with a Watford photographer.

Gen. Kramer, in conversation with a British army officer, stated that the sector which he was to take in 1940 was Somerset. The main attack was to be made there and they were to advance east through Bath. The approach was to be up the Bristol Channel.

Rommel was apparently the only general in favour of continuing the German advance in Libya after Alamein with a view to going on to Alex. and Cairo. The others were against this owing to the lack of Petrol. Rommel countered this argument by saying that they would capture enough from the British.

Kramer stated that the only warning the German had of the Dieppe attack was the one they
Catalogue Reference: KV 44102
convoy which some of our ships unfortunately ran into.

Peter Loxley came to see me this afternoon. He said that the F.O. had become seriously depleted owing to various extra commitments which they had to take on. He wondered whether it would be possible for us to help them out by attaching two or three people from here. I said that it was extremely difficult at the moment since our commitments to the W.O. were still very much in the air. I explained to him as definitely as I could what these commitments were likely to be and the difficulties that we had had with SIS, particularly Felix Corgill, who seemed more than ever determined to keep us out of the Second Front. I said that I was quite convinced that as long as he remained in S.I.S. there would be no successful cooperation between the two organisations. Loxley seemed somewhat reluctantly to have come to the same conclusion.

July 10th

Christopher EASTWOOD has turned up again at Lisbon on the "Edenvale". He has delivered a message and has one to take back, plus £1000.

We landed this morning in Sicily at 2.45 a.m and the operation appears to be entirely successful so far. It is thought that the Germans have at least 2 divisions and that there are some 750,000 wops on the island. We used 2,775 craft of all descriptions. Guns have been got ashore with only slight casualties. Paratroops were dropped at 11 pm to their gaining position of the aerodrome. The Germans are

believed to have some 600 aircraft against 4-4-5000 of our own.

I went over to see C. about the suggestions that Haldane Porter should go with King Peter and MILICEVIC, the new Yugoslav security man, to the Mid East. Haldane Porter is on extremely good terms with MILICEVIC, who is regarded as one of the few reliable Serbs this country. He is very concerned about the Yugoslav organisations in Mid East and elsewhere and he wants to clean up the whole position. He has almost begged Haldane Porter to go with him. This seems a unique opportunity to get full information about Yugoslav activities, with a view to future co-operation and operations in the Balkans. Cowgill who had been previously consulted by C. saw an opportunity of getting hold of Haldane Porter for his S.I.(b) unit. He has no other person to fill this commitment, and he is clearly anxious that Maunsell should not steal his thunder. I told C. that we should not send Haldane Porter unless he felt that there was some definite advantage. The proposal was that he should travel with MILICEVIC and then come back to this country. He would of course be seeing Maunsell on the way and also see or one of C's representatives in Istanbul if this was thought desirable. I could not promise him for the S.I.(b)-unit as Maunsell had a Balkan organisation in Mid East which he was trying to start. He might have a prior claim. It was agreed that should the D.G. consent Haldane Porter should go with MILICEVIC's party.

I then went on to discuss our Second Front problems generally and in particular the S.I.(b) units. I explained to C. how unsatisfactory the present position was and how ill-equipped the I.B. staff seemed to be. What are now known as I.B3 duties, namely civil security, have been performed entirely by us in this country. The draught was not felt in the desert as there was no civilian population and SIME was always at the back of the Armies. I thought therefore that we had something to contribute, and that such of our officers as became independent members of the IB staff should work in close collaboration with the S.I.(b) unit for which we were also supplying personnel.

C. then asked me what I thought the function of the S.I.(b) should be. I said that I regarded it as a unit which supplied information to the IB staff on which they had to take action. This information was of 3 kinds (1) the ISCS, for which the S.I(b) unit acted as a conduit-pipe. (2) the Purple Primer, which incidentally I did not think was a very well arranged document (I gave my reasons) and (3) any other information which could be obtained from informants in the area. Some at any rate of this information had to be translated into terms of action, and it was in this capacity, as also in the SI(b) capacity, that I thought our experience should be of value. I could not regard this whole question as a territorial matter, but purely as a functional one. C. appeared to be in entire agreement and remarked that in any case we were all members of the IB staff,

24

subordinate to the Military Commander. C. agreed with me that the planning for IB staff for a particular operation should be done in close collaboration between ourselves, the IB staff and SIS and that something in the nature of a joint team should go out. He suggested that I should have an off-the-record talk with _____ and that if necessary he would call a meeting afterwards between myself, Dick, _____ and Felix.

This led me to a discussion about Felix's personality. I said that as long as he remained in charge of Section 4, there was bound to be constant friction between our two depts. The fact was that the 5-6 complex had become a kind of obsession with him. I referred to the Gwyer incident, which was due entirely to jealousy on Felix's part and told C. off-the-record that certain of Felix's own people had not wished to be associated with the protest that had been made. In his present mood Felix saw the Trojan Horse in everything, and it was quite impossible to have any sort of rational conversation with him. These views were not confined to a few members of our dept. They were unanimous as far as we were concerned. They were shared by a number of people in C's office, and even by a number of Felix's own people, and also by almost anyone in the Services with whom Felix came into contact. It seemed hardly possible that we could all be wrong. C. pleaded that Felix was a good organiser and had recruited a very good lot of fellows under him. He undertook to see

whether he could not do something to improve matters. I do not think for one moment that he will attempt to get rid of Felix or even to move him to other spheres, unless things get so bad that a complete impasse is reached.

Before leaving I told C. of the conversation I had had with Finney. I said that Finney was Felix's best friend and remained so but for this reason he could not make any use of the information beyond keeping it in the back of his mind. Finney had been drumming into Felix as a result of what he had seen of the work of this dept. and particularly of B.I.A., that he (Felix) was making a fool of himself. He had satisfied himself on this point from a study of the correspondence. He had however been able to make very little impression. Felix appeared to have a rigid dislike for most people in this office, and did not trust either their discretion or their bona fides. He had an obsession about MI5 trying to muscle in on the Second Front. I had asked Finney whether he thought any useful purpose would be served by my having a straight talk with Felix. He had regretfully replied that in his view there was no chance of making any progress. This was the kind of atmosphere in which we were working.

C. then talked to me about the S. African situation. He was rather bored by the somewhat lengthy and acrimonious correspondence that was going on. I said that I did my best to,

Catalogue Reference KY/4/192 but that in this case he had hit the DG on a rather raw spot. It

26

3 (1) OF THE PUBLIC RECORDS
ACT 1958. June 200

was one of the DGs most laudable traits that he invariably stood up for his own people when they were attacked, but in this case, as we all knew, grounds put forward were not the real grounds. None of us, with the probable exception of the D.G. himself, ever felt that Webster was the right man for the job. He had knowledge of port security matters and had done very good work in that direction, but he knew nothing much about the intelligence side, and as far as I understood it, Vivian did not trust his discretion. I said that he would be quite ready to withdraw

if we would withdraw Webster and leave the whole business in the hands of Michael Ryde who had C's whole confidence. I gather that I had already written to say that he did not think there was a full-time job in S. Africa for himself. It was quite clear that he had been sent out there solely because C. and Vivian did not trust Webster's discretion. I said that I was glad that he had confidence in Michael Ryde and I would try to get things moving on the right lines. It was not however going to be an easy job.

C. then referred to America. He said that Bill Stephenson had decided to remain here while his office was the subject of investigation. From what he had heard C. thought that Stephenson should go back and retain his position. He regarded him as a very great asset on the higher political plane and said that his views were shared by Halifax and others. He thought that the organisation of his office had improved and that his registry had been cleaned up. He did not however

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27

propose to come to any definite conclusion until he had heard what Vivian and had to say. I said I liked Bill Stephenson very much personally and had little doubt that he had done a very good job on the higher political plane. He did not however know much about CE nor did I think he was particularly interested in the subject. He had not therefore been able to give the FBI exactly what they wanted. His real mistake had been in not handing over his agents to Hoover when America came into the war, and in not refusing to play on the Tom Tiddler's ground between Hoover and Donovan in the shape of the Washington Embassies. If we had Mills in the Bureau as an opposite number to Thurston we should be perfectly satisfied and we should not in the least mind his working to Stephenson if this did not prejudice his chances of getting information. Quite clearly at the moment it would. C. said that in the meantime he was having the most frightful trouble with the Americans, since all parties were at loggerheads. G. 2 backed up ONI and said that on no account were OSS and the FBI to see ISOS except in a blanketed form. C. did not quite know what he was going to do about this since both of them had been seeing it in the raw for some time and OSS were ensconced at Glenalmond. It seemed now that G. 2 were likely to have a certain measure of control over OSS. OSS had been running riot in N. Africa and Italy. A Jap military message indicated that the Japs were worried about their cyphers being compromised through some action of the Americans. This was followed by the Communi-

cation to Washington by OSS of certain information which corresponded exactly to the contents of a Jap B.J. G.2 had spotted this and asked C. to use his influence to get the activities of OSS curtailed. What has happened of course is that OSS being left in ignorance about Jap BJs, have been plunging about in the Jap Embassy in Rome trying to pinch the cyphers and had probably come pretty near compromising the whole business. This is a very good example of the dangers of caginess and having organisations engaged in unco-ordinated SSwork. C. to some extent blames for not having got together with OSS and the French in N. Africa. He is being withdrawn and is being sent up from Mid East to tidy things up.

July 12th

I spoke to the DG about Maldane Porter going to Mid East with MILICEVIC. He has agreed. There can be no decision however as regards his future or his joining the SI(b) unit. This depends on what the Yugoslavs intend. If they are going to transfer all their missions to Mid East and MILICEVIC goes too, it may be that Maldane Porter could be better employed out there, since there would be little to do in this country. Whether he should join the SI(B) unit or Maunsell's Balkan Section would be matter for discussion.

Lennox tells me that we and the Americans have landed between 6-700 tanks, 2,000 guns and about 120,000 troops. Reinforcements are landing tonight. We have taken Syracuse intact. A small port, Porzalo, was taken single-handed with 20 I/Ws by a naval Lieutenant. One of our destroyers had sent a signal thinking that the port was occupied by the British. Getting no reply he sent his Lt. in to look round. The motor launch arrived, and the mayor and C.O. appeared on the quay waving a white flag. There had apparently been some mistake and the port was still in Italian occupation. The Lt. took 20 token prisoners and retired.

I saw Burt about the case of R. L. HARRIS and his wife. These people (the wife of Austrian origin) have been cypher clerks in Shanghai. She had been approached by the Japs in an attempt to obtain the cyphers. Whether she actually gave them any information or not is still to be cleared up. The case has been badly handled, and there was a delay of some 4 months after the return of HARRIS and his wife to this country before anything was done at all.

Dick and I had a meeting with Felix on the SI(b) unit. We are agreed to give him Day, Courtney Young and Harmer for his French SI(b) unit. He wants Day immediately if he can have him. He also wants people for his Italian unit. This is going to be a more difficult job. I asked Felix exactly how his SI(b) units operated. It seems fairly clear that they play to the G.2 I.B. when

action is required. This rather confirms my belief that if the G.2I.B. was one of our officers he could be of most value in that position as he would understand the kind of information that he was handling. We also discussed Haldane Porter's visit to Mid East. Felix is evidently very keen to get him for his Yugoslav SI(b) unit. He has no one else at present. I told him that this would depend on whether the Yugoslavs were proposing to move all their forces to Mid East, including their various missions in this country. It was agreed that we would review the position at a later date.

After the meeting I asked Felix about Bonnefusse and Paillol. I told him about the correspondence I had had with Vivi. He seemed to think we should not have any contact with these people. I said that our sole interest was in obtaining information from two people who had been working in the Vichy 2eme Bureau for a period of 3 years. Any information they might have regarding agents from occupied territory who might visit this country would be useful. Felix said he thought that aspect of the problem was covered since French LRC cases were referred to Glenalmond and personally to Bonnefusse, who spent 3 days of the week in the country. Wherever it was thought that some information might be available in N. Africa the case was referred to Paillol. He did not think therefore that we were missing much. There are undoubtedly considerable records in N. Africa under the control of Paillol but at the moment

Catalogue Reference:KV/4/192

he has no means of getting it copied and sent over here.

I spoke to the DG about the SI(b) unit and the conferences that we were having with Felix. I said that we proposed to release as many people as possible.

The DG. has told Duff Cooper that he is proposing to bring Charles Butler to London. Duff Cooper seemed to think that Barker should go down to the country, and that the D.G. staff up here is perhaps becoming a little top-heavy. He asked what Abbott was doing. There was an awkward pause.

A telegram has come in from N. Africa saying that they want John Mair. Meanwhile TAR has offered him a job on the deception side of his work which will incorporate Grimaldi's work. I think that Mair will have to go to N. Africa. It is important that we should let Hill Dillon and Kenneth Strong see that we have something really good to offer.

July 13th

Hollis told the D.G.s meeting that the woman SHEHAN had been given 3 months under Section 2 of the Official Secrets Act and that SPRINGHALL had been committed for trial under Section 1. This renders him liable to a sentence of 14 years. It puts SPRINGHALL in a very awkward spot. The onus is on him to prove that he did not obtain the information for a purpose prejudicial. If he says

that the information was for our allies the Russians, he will have to call witnesses to prove his point. It seems unlikely that Maisky or any of his minions will be particularly anxious to come forward.

The D.G., Dick and I had lunch with Bill Stephenson. The future of Security Co-Ordination was not discussed. Stephenson did let drop rather confidentially that Donovan might perhaps run for the Presidency. This may be the key to quite a lot. It will be interesting to know Hoover's reactions to the possibility.

Dick, Rupert Speir and I had a meeting with Harry Allan. We first discussed Vault and Lifebelt. It seems fairly definite that whether the expedition is Vault, Lifebelt or Lemonade, the W.O. want us to send a representative. Harry thought that he should be attached as an I.O. to the I.B. staff. This would render his position and rank more flexible. We said that we did not think it mattered very much for this particular expedition, but it would be preferable if our officer could hold a definite position in I.B. staff i.e. GSO II IB. He would then have more authority for dealing with matters with which he is acquainted and he would be less likely to be regarded with suspicion by the regular soldiers, who are rather frightened of people who go about in false beards. Harry proposes to call a meeting at the W.O. on the subject of Lifebelt or Lemonade. He has a minute from Barker Benfield about the setting up of the I.B. staff

on which Vale has asked for his comments. He will let us see his draft reply. I emphasised once more that we were desperately anxious to know what our commitments were for Second Front operations. Everyone was knocking at the door, including the A.O., and if some decision were not reached soon our trained officers would be drafted to other spheres. I explained to Harry that we had already agreed to give Felix Cowgill three officers for his Roundup S.I(b).

MacIver wants to let Tim Airy go to O.C. as No.2 to Ede. This is the first I have heard of this suggestion. I said that while I thought he would be very suitable, he had been earmarked for a Second Front job as he seemed to fit very well into a military hierarchy. I am going to speak to Ede and suggest that he should have Airy on a temporary basis. We would not take him away unless we were absolutely forced to do so.

ISOS discloses the whole order of battle in Sicily. It seems that owing to a breakdown in communications the responsibility for making such reports rested on the station at Taormina.

Old Panda has sent in an irate telegram protesting about Adam's mission to USA, the nature of which was not clear to him. He is evidently suffering from the heat.

Victor returned from the Mid East. He seems to have had a profitable trip to Gib., Algeirs, Cairo, Beyrouth, Jerusalem, Bagdad and Abadan. Security at Abadan is not an easy matter. Coolies who all look alike are pouring in and out all day. The staff are very keen to do what they can and the kind of methods employed by the enemy in bringing in explosives, e.g. in thermos flasks, mess-tins etc. was explained to them. Such methods may well have been adapted to tea-pots which are all over the refinery. It is apparently a custom for the Persians to drink tea ever quarter of an hour. Immense quantities of aircraft are being brought in daily for supply to Russia. They arrive in crates which are stacked all over the desert. They are then assembled and flown to Russia by Russian pilots. They appear to be arriving in hundreds but only getting away at the rate of about 20 a day. Security of the railway is a British responsibility, but precautions are difficult owing to the small number of troops in the area.

Victor had a fairly favourable impression of Maunsell although he thinks that he is in some ways rather like a Mid East version of Bill Stephenson. There is obviously much in detail which is not good but on the whole the show seems to work. Kenneth Younger is clearly unsuited to such an organisation. Victor was very impressed with Trevor Wilson and his minions. A counter-sabotage section is to be set up in Cairo. Victor has a high opinion of Jenkins.

July 14th

I went with the D.G. to see Vick Casey. We discussed a telegram from Maunsell expressing anxiety about suggested release of internees in Mid East. Casey said that Archbishop Spellman was very worried about the treatment of a number of Italians who were living in somewhat trying conditions. He had no intention however of recommending the release of anyone unless such action had the approval of Maunsell whom he regarded as the last word on security matters. He had so informed Duff Cooper.

As regards the Greek Armies, which had mutinied, he confesses that both he and Gen. Wilson had been caught unawares. Unrest in the Greek forces had not been reported to either of them in a forcible way. Steps were however being taken to put this right. Beaumont-Nesbitt was acting as co-ordinating officer and he did not think they would be caught napping again.

Casey is having tremendous trouble with the French in Syria. They are entirely unco-operative and are obsessed with the idea that we want to get our hands on the country. Whenever they are asked to get rid of some pro-Vichy officer holding an influential position the French haggle for months and then do nothing. Casey is thoroughly disgusted and intends to say so in no uncertain terms, when he sees Massigli today. He thinks that de Gaulle should have had his head thoroughly washed by the P.M. over the whole business.

It seems that the best qualification for any French official in the eyes of his superiors is that he should be thoroughly anti-British. Gen. Wilson was anxious to send several Polish Divisions to Syria. Casey has felt bound to request him not to do so unless the military situation really demands such a course. The mal-administration of the country and its consequent economic distress is such that the presence of a number of troops there would only lead to further trouble.

There have also been difficulties with Palestine. It was recently discovered that the Hagana which is under the control of Ben Gurion, had come into the possession of 600 rifles, a number of machine guns, trench mortars and explosives. The fact was discovered through two soldiers who got tight in a brothel. The arms had been drawn from depots in Egypt on presentation of bogus documents, and had been taken to Palestine in army lorries.

At the Wednesday meeting Hart mentioned the case of an agent who is being trained in Bergen and is to come here on a mission in 6-8 weeks time. No details are available yet of the method which will be used to bring him here. As he is to be furnished with a W/T set it seems probable that he will either be landed by rubber boat or dropped by parachute.

Gibbs came to see me about the case of "Untamed". He tells me that Edwards has gone over to see ADNI. He thinks there is danger in B.5.

having direct dealings with ADNI since they are apparently rather wide implications in the whole case suggestions that the morale of the crews is not good. These aspects of the case have already been dealt with Burn who is also in touch with the Admiralty and there is therefore a danger of our reports on this matter being in conflict, quite apart from the fact that matters of this kind are not really the concern of this office. Quite clearly such cases ought to be co-ordinated in B.1C and communicated to the Admiralty under their instructions. I said that I would have a talk with Victor and that I thought he or I would have to speak to Burt. The fact is that Burt does not care about dealing with anyone except Victor or myself.

I saw the D.G. with Grogan about the latter's request to be allowed to devote some of his time to his own private business, owing to lack of work at the Prudential. The D.G. was quite agreeable but thought that Herbert should be informed.

I saw Moylan with Milmo about the case of WITT. Moylan did not seem to realise that people detained at Dartmoor were corresponding with the outside world and in fact we were on occasions pressed by Mrs. Lee of the H.O. to allow certain of their letters to go on. It was explained to him that this was the reason for our saying that there might be administrative difficulties if the whole of WITT's correspondence was suppressed and those of other internees were allowed to go on.

We also made it quite clear that as far as we were concerned there was no objection to WITT corresponding with his wife. We understood however that SOE had objections which the H.O. appeared to uphold. All we wanted was something in writing from the H.O. authorising us to detain all WITT's letters.

In connection with the sabotage case at Gib. the Governor is anxious to try the offender by local court martial. Dick has approached Lincoln of the C.O. who says that a local ordinance is all that is required. If the trial is to take place here it will mean the whole of the security staff coming over as witnesses.

For the Duce's fantastic ideas
There are only two real panaceas -
Either give him Gibraltar
And Tunis, and Malta -
Or a kick in the Pantellerias.

(JCM)

I had a long talk with Victor. He is full of stories about his trip to Mid East. He mentioned that wherever he went he had complaints about the letters received from Col Alexander asking them to keep some man under observation because he appeared to be disgruntled. The fact was that living in a place like Abadan where the temperature is 120° in the shade, where bugs abound, and everything is filled with sand, people were apt to get pretty well browned off. There was nothing in their letters that you would not hear from any habitual grouser in the Army and they meant precisely nothing. Victor is putting

up a note on this for the D.G. I said that I thought he ought to speak to Hollis first, but that the note should certainly go forward. There is no doubt that the sort of letters sent out by F.I. did the office a lot of harm.

July 15th

I had a meeting with the D.G., Harry, Marker, Butler and Dick on the subject of our colonial commitments and the Second Front. Malta has suggested that they should supply an officer and staff to open a DSO point in Sicily. This apparently has the backing of Lord Gort who evidently does not know what he is talking about. The only basis on which we can enter Sicily is in an I.B. capacity under the CCAO when he is established. This would have obvious advantages for Malta who have close links with Sicily. They could also provide the officer. Harrow's name has been suggested.

As regards Ceylon, whence a request has come for 2 MI5 officers, The D.G. decided to communicate with Halland who is head of the local police and to ask him for more details. The D.G. was rather inclined to think that the war had receded from Ceylon and that the appointment was not necessary. I said that it was an obvious target for the Japs owing to the Fleet base when operations start against Burma. The D.G. did not see much use in our sending an officer from here who would not understand how to deal with Cingales. However he was prepared to leave the matter open till we hear from Halland.

Admiral Godfrey has asked us to send a senior port officer to India. Godfrey is now in command of the Indian Fleet. He suggested a Marine of a fairly high rank. We have no one suitable for the job and are proposing to suggest that Brig. Craig should be sent.

As regards Australia and New Zealand it was decided to make a suggestion to them to send a security officer over here. This might enable us to establish closer liaison. There was obviously little point in our sending officers to Australia and New Zealand at this moment. The problem is not a German one and the Jap menace is receding.

The D.G. ~~xxx~~ then asked me to outline the negotiations that we had been having with S.I.S. regarding our Second Front commitments. This I did and the D.G. agreed that we should supply both to the S.I.(b) unit and to the I.B. staff provided any demands for the S.I.(b) unit were put through D.D.M.I.(O) and not negotiated direct as between ourselves and Section V.

Melland came to see me about the Purple Primer. He has drafted a letter of comments to Felix some of which are pretty drastic. In its present form he thinks the document is extremely unsuitable. He is very keen to have a special committee formed to deal with the preparation of these documents. I told him that Harry Allen now felt that he was responsible to the DMI for the set-up of the security staff accompanying any expeditionary force and for that reason he felt he should be

Catalogue Reference:KV/4/192

acquainted with all the details regarding the operation and also with the information available. He therefore had a right to see the Purple Primer and to comment on its contents. I would speak to him about this and suggest that he should put the matter forward to the D.D.M.I. (O)

July 16th

With reference to the Zip message which reported on 25.6.43 our projected attack on Sicily, the P.M. has now been informed by the F.O. that much of the additional information in the message was inaccurate. The P.M., undeterred, has returned to the charge and asked the Chiefs of Staff what reciprocal advantages we get from having attaches, and suggested that they should be cleaned out of this country. The Chiefs of Staff passed his minute to the J.I.C. who passed it to the ISSB who passed it to Lennox who passed it to me. Jolly good show. We have reviewed similar messages over a period. Out of 9, only 3 contained information which was accurate and two of these were based on information already made public. The situation seems to depend on the degree of reliability which the Axis attach to these reports which they allegedly get from the Swedish Gen. Staff. If they are well-informed they will discount the good as well as the bad or at least regard the good as unreliable. If they are ill-informed they may accept everything as being true. We do not get Swedish material so we cannot say whether in fact these reports emanate from here or whether they are made up

in Stockholm. There are some grounds for thinking that they may have been made up in Stockholm since the Swedish Minister appeared to be of the opinion that the attack was coming in the Balkans and the Asst.M.A. thought that it was coming in Norway. In the absence of any positive information we have to assume that anything picked up by the Swedish Service attaches reaches the Axis. We cannot control Service attaches beyond a certain point. Therefore the only thing to do is to feed them with false information. This we are doing as far as possible through the Asst.M.A. on whom we have quite a good line. It is for the Service authorities to say what value they get out of their attaches abroad. I gather that C. also will have views on this. The controller, to whom I have spoken, would not mind if all attaches were thrown out but as long as they are allowed to remain he finds them useful as channels. We shall reply in the above sense to the J.I.C.

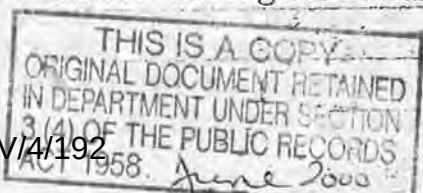
The Abwehr man at Taormina has been given a raspberry for communicating the dispositions of the German troops in Sicily. He has been told that it is his business to report on the disposition of enemy troops and not his own. He intends to continue however but has asked Madrid not to pass the reports on in case he gets into further trouble. We are more than grateful to him for his excellent reports which are of the highest operational value.

Harker tells me that Carola LUKE has confessed that she was responsible for reports M's agent to the C.P. This took place at an interview between her and Cussen.

July 17th

Gibbs has got the Min. of War Transport to agree that their ships calling at Spanish ports should call in at Gib. on the inward and outward journey. This will enable them to take divers on board. These divers are to go down regularly in Spanish ports before the ship sails. Mason-Mac has rather gone off at half-cock in the Gib. sabotage case of which Sam Hoard has a garbled account. A protest has been registered in Madrid in which a number of cases are jumbled up together. The trouble is that Mason-Mac is rather conceited and completely taken in by Barron, the Governor of Algeciras, who invites him to bull-fights. He thinks that Barron is really interested in clearing these matters up and will take drastic action if he is talked to in a confidential way. Personally I doubt whether Barron will do anything at all. Meanwhile Kim Philby is trying to get things sorted out, when a full dress protest can perhaps be made from here.

Brooman-White is to go off to Gib. as soon as possible to replace Scherr during his course of training here.



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DEPARTMENT UNDER SECRETARY
364 OF THE PUBLIC RECORDS
ACT 1958

44

I lunched with Maddox who is No. 2 to Bruce of OSS. He covers both Broadway and Glenalmond aspects of OSS. He is still vague about the position of OSS in the zone of the armies. He thinks however that they will probably follow our pattern. That is, that they will have something in the nature of an S.I. (b) unit which will work to G.2.

I saw today. Evidently my talk with C. about Felix Cowgill has had some sort of effect. D.B. said that he understood I had registered a complaint. He was interested to know about the trouble as he apparently feels exactly the same way as we do. He referred rather vaguely to difficulties in the Middle East where he appears to be responsible for setting up something in the nature of a Balkan section, I suppose on the Ia side. I explained to him all our difficulties and in fact told him exactly what I had told C. He did not appear very hopeful about C. doing anything but he was going to have a cut at it himself. I said that while we all regarded Felix as a loyal and hard worker, we found him an infernal nuisance and thoroughly unco-operative. I thought that in some ways he was quite pathological about this dept. owing to some obsession that the MI5 Trojan Horse was always at work. This seemed to me quite nonsensical.

The Germans appear to be making every effort to pay Dragonfly. They still appear to have confidence in Father and will make use of him when he arrives at his new destination.

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45
July 19th

On an introduction from Bartik -- has made contact with CHICHAEV, Councillor of the Soviet Embassy and formerly either a GPU or 4th Dept. agent, with considerable background in Finland and Reval. The preliminary conversations had been confined to suggestions about the field to be covered. These are, tentatively, an exchange of information and views on Axis intelligence activities directed against the Allies. In this connection, the enemy's secret agents and secret organisation together with their methods and technique, may from time to time be brought within the discussions. There may also be specific enquiries about suspects who are under examination here when it is thought possible that the Russians may have information about them. In general our collaboration should be directed towards the defence of allied interests against enemy secret and subversive activities. -- seems to have scored quite a success already. His proposals were very well received but will obviously have to be referred to Moscow before we may expect developments. -- thinks that CHICHAEV is as direct and straightforward as can be expected from a man in his position, that he is human and has a pronounced sense of humour a most valuable asset in a representative of the new Russia, which takes itself very seriously and is most anxious not to lose face. He thinks that provided the odds are not too much against him he can handle CHICHAEV without making the slightest concessions to the amount proper of the man himself or the country he represents.

46
Harry told me today that Brig. Vale is rather worried about deception being passed to M.A.s. Apparently he thinks that this procedure is likely to put Col. Carlisle of M.I. (L) in an awkward position if he is asked to confirm. I do not know what Bwackets O has got into his head but it is quite impossible for us to prevent stories reaching M.A.s and whether the source is ours or somebody else, if the M.A. wants to get confirmation from Carlisle there is nothing we can do about it. His mind is probably harping on the incident when Paul Mathews in uniform asked Brilhante, the Argentine M.A., to pass over some bit of deception. This had created a rather awkward situation but the matter was satisfactorily settled.

Bwackets O is also rather worried about my having spoken to Whiteford on I.B. matters. He thinks that all this sort of thing should go through the proper channels, namely himself. Unfortunately his channels are so silted up that nothing ever goes through them at all. Harry told him he thought it was quite a good thing that Whiteford should have a better idea of what this office had to offer. Clearly Vale thinks that it is wrong that anybody should be spoken to on the subject except himself.

Lifebelt has now been changed. Everything is to be done by consent and there are to be only 3 squadrons of aircraft and an Air Commodore in charge. I do not know what part either we or S.I.S. are to play. Presumably they will now dress us up as airmen.

Thurston and Wimperman came to see me. The former has just returned from Washington. He could not enlighten me very much about our future in the U.S.A. He said that Denham had been very well received by the Bureau and had seen the Director. He had however intimated that he could not make any recommendations until he had seen the Caribbean area. Thurston thought that Vivian, whom he had seen just before his departure, was somewhat depressed about the differences of opinion between various depts. in the U.S. dealing with Intelligence. In his view Viv. had got a somewhat exaggerated idea about the position which was not nearly so bad as it seemed. In every dept. there were people ready to co-operate and others who were not. I gather that at certain levels the FBI get all they want from G.2 in the way of B.J.s. etc. I asked Thurston about the relations between the FBI and SIS. He said that the amount of information being passed was getting less and less. At present the FBI have about 5 XX agent but they are anxious to increase the numbers and for this purpose would like us to let more people go through Trinidad, either to north or south America. In some ways the FBI would prefer to have these people in S. America where they get greater facilities than in their own country. If they have any trouble with the agent down there they can quite easily get the authorities to lock him up and no questions are asked. Thurston said that the case of ALEXANDER, the Czech in Lisbon, had been the cause of further friction.

Apparently he was represented to the FBI either by OSS or Security Co-Ordination and both as a person who would be suitable to run as a XX agent. They were not however provided with any background. It was only after enquiry here that they learned about ALEXANDER's doings in Lisbon. Not unnaturally they turned the case down. It has now I understand been agreed that ALEXANDER should be given a visa for the US. provided we undertook to take him off at Trinidad.

The Abwehr in Rome state that the Italians have fought very badly in Sicily. It seems that the officer in charge of the guns at Augusta blew up his weapons and told his men to escape as best they could. It is said that a Gen. Roatta has been sent by the Duce on a special mission to the Fuhrer to ask the latter to bring forces from the Eastern Front until the invasion in the west has been repulsed. This request will not come at a very opportune moment seeing that the Russians have just taken the offensive in the vicinity of Orel. The view taken by Italian Intelligence circles in Rome is that unless the Germans sent assistance soon the Italian troops are likely to collapse.

Rome was bombed today for the first time. Special targets were assigned and special instructions given that places of historic interest were to be avoided. Prior warning was given that the bombardment was going to take place and also that the Germans might bomb the Vatican City and say that it was the allied air force who were responsible for the damage.

July 20th

I attended the JIC meeting with Harry Allen this morning. Our memo asking for the support of the JIC in procuring officers of higher rank for 20 was discussed. It was agreed to give our proposals the approval of the JIC but DNI and ACSI both doubted whether they would be able to help in providing officers. They were very hard-pressed themselves, and in great difficulty in getting people with language qualifications.

Harry Allen raised the question of leakage of information about Sicily through the Swedish attache. I put in a memo on this subject which will be included in the JIC's reply to the Chiefs of Staff. Harry also raised the question of the new variation of Lifebelt. ACSI said that he thought assistance from us on the security side would be very welcome. It is understood that two of the islands are to be used as a base for aircraft and that the Portuguese will take the necessary steps to round up the Germans. It will clearly be necessary to establish a liaison with the Portuguese police and for this I should have thought that Stopford would be helpful. The Air Force have no exact equivalent of FSP. The nearest thing is the Provost Marshal branch. There is of course also the question of port security. Harry Allen is proposing to take this matter up as soon as he gets the minutes of the JIC meeting. It is I think important to get in at the earliest possible moment, since the first party is likely to sail in about 10 days time.

Wren came to see me this morning. He is going back to New York to clear up and then hopes to get a job in Europe. He was non-committal about the rights and wrongs of the 5-6 set-up in America. He thinks that Viv. and Denham have come to some sort of tentative arrangement. Contrary to what Thurston told me, Wren said that liaison between Security Co-ordination and the FBI was still going on and a certain amount of useful information was passing on both sides.

Burne came to see me to apologise for Adam's minute on the subject of alleged attempt by E.B to take over D.4. He said that had he known he would not have allowed Adam to write it. He had been present himself at the Wednesday meeting and knew exactly what was going on. As it was a matter in which D.4 were no longer directly concerned he had made no mention of it to Adam. I told him that there was another minute coming along about the case of BLYTH. Adam had thought fit to hold up a paper for 2 months instead of passing it to Cecil. This struck me as being a case of useless obstruction.

Burne asked whether we could possibly let D.4 and ultimately SCOs have an abridged and expurgated edition of the LRC report. I explained to him my difficulties vis a vis Section V and said that I would do my best to get them something. He thought that some information would be encouraging to SCOs, especially where they had used their initiative in sending a man to the LRC.

Carlisle of M.I.(L) rang up just before two o'clock to say that Commandant Rouvier of the Giraudist Mission was with him and had recounted a story received from Admiral Muselier and Mons. Saurat, about a plot to assassinate Giraud, who was due to arrive here at 4 pm today. Rouvier had no details. He arranged with Muselier to be at 19 St. James Sq. at 2.45. I spoke to Chief Inspector Gill, S.B., and he undertook to send up an officer to see Muselier. He told me that there were already two S.B. officers on the plane coming from Prestwick and that S.B. were taking special precautions in connection with Giraud's visit. I also spoke to Brook Booth who undertook to attend the meeting with Muselier. The SCO was warned and told to inform SB officers. He also the Air Commodore in charge of the aerodrome. The latter suggested diverting the plane to some other aerodrome but since there was no information as to when or where the attempt on Giraud's life would be made, it seemed that the ensuing dislocation in all the arrangements was not justifiable.

Jim Hale told me about the case of WEITHARDT, a German dual national who joined our forces and has twice deserted. The man has now confessed that on 2 or 3 occasions attempts were made to recruit him by the Abwehr. He had come here just before the war with the intention of opening a hard-ware store which was to be a cover for his activities. He says that although he fell in with the suggestions of the Abwehr, once he arrived

in this country he did nothing. Certain points in his story which have been checked indicate that he may well have been in touch with the Abwehr.

I took Harry round Gwyer's section and showed him the relative merits of the Purple Primer and Gwyer's Who's Who. He seemed fairly satisfied that for the use of IB staff officers in the field the Primer was not an ideal document. It was not compiled on a regional basis, and there was not sufficient guidance as to the relative importance of the various names and addresses. My suggestion to him was that he should, in his capacity as DDMI(S) call a meeting with a view to setting up some small committee which would be responsible for the format and contents of the Primer. This concerned SIS, PID, RIS, Melland and ourselves. There will have to become over-riding authority in the War Office to see that the committee's recommendations are carried out. In Gwyer's Who's Who on Belgium there is quite an important document showing what the Germans intend to leave behind. For some reason unexplained to anyone, this document is not included in the S.I.S. Primer which just bee brought out. Clearly a matter of such importance should not be left to the whims of Felix Cowgill. ~~Mc~~Harry called upon ~~Melland~~ and had a discussion about the Primer. Melland said that Harry was very impressed with what Gwyer had shown him and that he intended to take the whole question up officially.

July 21st

At the Wednesday meeting Hart mentioned that the Abwehr in Lisbon have been asked to provide two cover addresses each for 3 agents who are to be sent out on missions as soon as the addresses are received. These agents come from IT/LW in Berlin. Two of them are to go to N.America and one is to come here. No further details are available at present.

Inaccurate reports about the disposition of our troops and convoys are still being sent to Berlin by the Abwehr in Madrid and Lisbon.

I saw Harry about the new Vault Operation, and the suggestion that we should get into touch with the Force Commander. He rang up Inglis, A.C.S.I., and arranged a meeting. I am inclined to think that Stopford should go in a civilian capacity attached to the Consulate. His sole function will be to establish close relations with the Portuguese police.

I saw Thurston with B-W about the KOBBE case. Thurston will ascertain from Washington whether they would be prepared to send Aladren up to Vancouver on some pretext to make contact with Kobbe.

ISBA shows that the Germans are rather sceptical about Tricycle, and that they are inclined to think that Balloon's traffic was being planted on them. Tricycle took the bull by the horns and asked them whether they were suggesting that his information was also a

British plant. Von Karstoff is reserving judgment, but is flirting with the idea of using Tricycle's channel for bringing Jugoslavs out of Switzerland as a means of getting an agent here and also a wireless set. The whole matter is to be thrashed out in Madrid.

July 22nd

Burt came to see me about the case of CASABAYO. He thinks that the wife is now getting advice from a solicitor and may become troublesome. He wondered whether it would be possible to get CASABAYO tried by court martial and sentenced since he felt that this would forestall trouble. I explained to him that if CASABAYO were sentenced by a court he would have to serve his sentence in some prison other than Camp 020. This would mean that he could not be kept incommunicado, since 020 is the only camp where these conditions prevail. The internment of prisoners in suitable conditions has been one of our greatest trials and incidentally a source of constant embarrassment to the A.O. who have never made adequate provision and have never distinguished properly between internment and imprisonment.

I saw Duff and handed him a copy of J.C.s excellent report on GARBO which is to go to the P.M. I also showed him our memo to the JIC on the subject of alleged leakage of information, through the Swedish M.A. here, to the Japs. He entirely agreed with our view. I told him that I had seen Thurston and Gren but that neither could enlighten me very much. Apparently Denham was very well received by

the Bureau but would not commit himself on any question of organisation until he had visited the Caribbean. Duff thought that as soon as Viv. got back we ought to have another meeting.

Major Gordon, who works under Barker-Benfield in the 21st Army Group H.Q., came to see us about the set-up of the I.B. staff for Overlord. This is the first intelligent discussion on the subject that I have had with anyone. Dick, Rupert Speir and I have I think put him on the right lines. If he were DDMI(O) instead of old other Vale, we should have this business settled in 24 hours. I told him about the proposal that we should have a GSO.1 I.B. with Cossack and a GSO2.I.B. at 21st Army Group and possibly also at the American Army Group H.Q. Our view, with which he agreed, was that these people should go right in at the planning stage. In addition Gordon is preparing what he calls a security pool from which officers will be dropped off to CCAO as required. They will however remain under the control and direction of I.B. We also discussed the question of R.S.S. It was agreed that we were the proper people to conduct searches for illicit wireless transmissions., RSS providing the technical tool. Interrogation experts who should come under the control of I.B.2 would operate in conjunction with the organisation to be set up for dealing with P/Ws. I.B.2 is now Civil Security and I.B.3 Military Security. I also raised the question of the possibility of the enemy leaving behind microphones with wires passing through the lines. This was a matter

requiring expert knowledge which was in possession of the Post Office, but we had people with knowledge of wireless particularly those who deal with rounding of wireless transmitters, who could deal with problems of this sort if necessary. Gordon thought that the FSP were instructed to look for mikes and illicit telephone connections and that this would be a matter really for forward units rather than for army group HQ. He admitted however that expert knowledge might be required in certain cases, and that probably the inclusion of a talk on the subject in our course of lectures to IB staff officers would be valuable. He explained to him that we were proposing to give such a course which is to cover the German I.S. and other security matters which might affect IB staff officers in the field. He thought that senior NCOs should also attend and that the course would be extremely valuable.

July 23rd

Kenneth Younger has returned from Mid East. He seems to take a poor view of the organisation and in particular of Maunsell, whom he regards as an arriviste, incapable of organising a big show on the proper lines. Maunsell holds a position of considerable importance and carries a good deal of weight, but he does not seem to be very clear what he is aiming at, and gives little attention to detail. For a long time he has been very much understaffed and the quality of his existing staff varies considerably. There is no doubt that our penetration into the Mid East

field has given the organisation a considerable fillip but there is much that could be done to improve it. Haylor is having a considerable tussle but will probably get what he wants in the end. Whether he will have a row in the process remains to be seen. SIME seem to have been lucky in being opposed by such a poor organisation. Having got through various crises they would seem to be somewhat overconfident. Their office organisation is bad, particularly their filing of papers. Kenneth seems to have weighed in pretty heavily on one or two occasions during his short term of office in charge of the Greek section. He is evidently very glad to get away from Cairo. Personally I think it is a pity that he did not make an opening for himself and get things into better shape, but clearly this is not his line.

Burt tells me that the case of HOYSE is coming on in the Police Court on August 5th. Counsel for the Prosecution now feels fairly certain that he will get a conviction. The Defence are going to say that that the alleged loan of £500 by HOYSE to ARMSTRONG was on account of the latter being in low water. They do not know however that the Prosecution have discovered that various accounts with other banks showed a balance of some £3,000.

John Mair is leaving for N/Africa tomorrow night.

Mrs. GARBO is still somewhat unsettled, although she no longer talks of returning to Spain. GARBO thinks that the only solution

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would be to bring over Mrs. G. C. On mother and older sister. It must say I see in somewhat reluctant. ~~AC~~ bringing over any more members of the Garbo family. On the other hand it is vitally important to keep a case going.

MUNOZ, the Spanish Asst. M.A., has agreed to carry out another transaction for Plan Dream for £2,500 at the end of this month. The rate of exchange is to be 90 pesetas to the

Mutt and Jeff are waiting for a further consignment of sabotage material which is due to arrive in Scotland next week. As soon as it is received Plan Bunbury, which involved the blowing up of a power station, is to be set on foot. Details have already been worked out.

Bronx has received another £88 for monthly salary.

The Germans are evidently pleased that Dragonfly has at last resumed work. They are particularly grateful for his weather reports. They are still trying to pay him through the medium of foreign postage stamps.

Major Maddox and Capt. d'Oench of OSS came to see me at the club this evening about a woman called Mme. , an Annamese, who had been got out of France by SIS at the request of Passy and OSS. The matter had been arranged in Algiers. The woman is to go to Indo-China where she is to operate as an OSS agent. She arrived yesterday and is to be here only 48 hours. Major Maddox

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57

said that the French were taking her to the LRC tomorrow for examination and asked whether we could waive the security examination. I said that as far as we were concerned we did not mind, provided she was under supervision while here and did not have access to anything of importance. There was always the possibility however that she might have been in touch unwittingly with some German agent on the continent, and that if we examined her about her movements and contacts during the last 6-8 months and checked the names on our records we might find that this was the case. I said that I would communicate with the LRC in the morning and would in any case ensure that she was kept apart and was not seen by any of the other guests. I would let Major Maddox know the result of our enquiries.

July 24th

I telephoned LRC and found that no arrangements had been made about Mme. I decided therefore to waive the security examination and so informed Capt. d'Oench. A few minutes later I rang up to know if we would be prepared to dispense with the examination. I said that we would and that I had already informed OSS of this fact. It was further necessary to make arrangements for this woman to get out of the country, and we would want to know the name in which she was travelling and her port of embarkation. This could be done in the ordinary way by through L.4. I have spoken to Col. Robb and also to TAR who is on duty.

Catalogue Reference: KV/4/192

GARBO in one of his reports spoke of intensive exercises in Wales which had been made a prohibited area. He said that he was unable to go into the area and suggested that the Germans might like to send over reconnaissance planes. Almost simultaneously Ostro sent a far more alarmist report about concentrations in Wales and the possibility of invasion. The Germans did in fact send over two planes the night before last and took photographs by flashlight bomb and parachute flares.

July 26th

On the 8 o'clock news this morning it was announced that Mussolini had resigned and that Badoglio had taken over. There have of course been numerous reports from time to time that Badoglio and the King might be prepared to make peace, but these have been generally discounted by SIS who thought that Mussolini and the Fascists were too strong. It is possible that there may have been some approach through channels of our own or through American channels; but at the moment I have no evidence on this point. I am inclined to think that there may be peace with the Italians in a matter of a week or so. Mussolini's resignation would in any case be an essential step in that direction, and it may be that the resolution to carry on the war is only a temporary one to save Italy's face. There is the further point that the Italians may wish to prevent an extension of the invasion of Italy by German troops until we have a footing on the mainland.

Catalogue Reference:KV/4/192

60

A Jap B.J. from Rome refers to the meeting of Hitler and Mussolini on 19th July in N. Italy. The meeting was attended on the Italian side by Ambrosio, Chief of the Gen. Staff, and on the German side by Weitel and Messelring. Hitler and Mussolini had a meeting alone. This was confined to military matters. Mussolini spoke of the desperate situation in Italy, while Hitler spoke of the equally difficult situation on the Russian front, but promised to send what help he could. It was admitted that in Sicily the Italians and Germans were outclassed in the air and on the sea and that the British could move pretty well as they liked.

Information given by the Germans to the Japs in Berlin indicates that the Germans had expected that Italy would offer more stubborn resistance in Sicily. Control of the straits of Messina had been lost and the Italians were experiencing difficulties in the matter of transport. Additional German troops are apparently to be sent from France to defend the mainland of Italy, since it was difficult to spare any from the eastern front. According to Ribbentrop, the German plan of campaign against the USSR for this year is to inflict as many losses as possible on the Soviet armies and sectional fighting without carrying out large scale encircling operations.

I saw Henderson from Trinidad this morning. He is doing a course here before going back. He has not finally made up his mind about Goodacre yet but, contrary to what we had always been led to believe, he said that

62

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Goodacre was not a good Spanish scholar. I asked him about the circumstances of Goodacre's visit to the FBI in Washington which had results in a rather embarrassing request via Thurston for lists of Q20 cover addresses, and information about duff used by German agents on passports. Henderson said that Goodacre had arrived with Denham and Vivian in New York and had been met there by Kimball, whom he had known at the time of the latter's visit to this country. As he had had to wait for a week or ten days to get his passage to Trinidad, Kimball asked him to go down and see the FBI in Washington. It would clearly have been difficult for him to refuse. His mistake was in talking about matters on which he was not fully informed and making promises to the FBI without prior approval from London. Henderson is evidently anxious to get back again.

Denham's report has arrived, brought by Viv. who returned at the end of last week. On the whole it is not bad. He recommends that Mills should carry out liaison in the FBI office and that certain functions performed by Connop Guthrie on our behalf should be covered by our placing a liaison officer in Guthrie's office. He thinks that Guthrie himself should become an independent organisation under the HDSE. Caribbean reports should be sent to the Security Service office in Washington and distributed from there to interested parties, instead of being dealt with as at present through the up-town office of DSC. Liaison with the RCMP should be improved. With certain reservations I am in agreement

I think Mills should carry the D. Division liaison both with the FBI and RCMP. In fact there might be considerable advantages in having the communication with both organisations centred in one person. Viv. appears to be in agreement with Denham about the independence of Guthrie's office, but according to Denham was inclined to be "somewhat touchy regarding M.I.6 responsibilities or what M.I.6 imagineto be their responsibilities."

July 27th

Kenneth came to see me about the various jobs which had been offered him. He has been put down for a course with CCAO. Meanwhile Senter has approached him with a suggestion that he should go to SOE to take a fairly important post in their French section under Louis Frank. We had earmarked him for G2 I.B. with the 21st Army Group. He seems rather inclined towards SOE although I am doubtful whether he would find things entirely to his satisfaction. Things will not be in apple-pie order and he will doubtless meet with many difficulties. If he decides on the army job the army will have to make up their minds quickly whether they want him or not. I should prefer to have him at 21st Army Group HQ if he will try and be creative. He may not find the job very easy because at the moment nobody seems to know precisely what they want.

Lennox talked to us at the DGs meeting about future plans. There is not likely to be any

major operation in Sicily for the next 5 days. The Americans are moving up the north coast against the Italians. The German with 3 divisions or what is left of them are holding the centre and the east coast. When we have driven them all into the north-east corner there is likely to be a serious engagement. The best place for our landing in Italy has not yet been decided but it may be somewhere well up the leg.

Sincerity is the new version of Vault and will be under the command of the Air Force although there may be certain military and naval personnel. We are still waiting to hear whether our services are required.

Another operation which will be known as Oatmeal, which is the outcome of Lemonade, consists of the supply of A.A. guns, aircraft, etc. with civilian personnel to assist in putting them together. It will take place simultaneously with Sincerity.

I met Brig. Gen. Crockett, in charge of security G.2. in the D.G.s room. He seems to be fairly definite on the point that OSS in the field will come under G.2.

Barty Bouverie called in. He is back for about 2 months on a course. I asked him about the French section of SOE and Louis Frank. He says that Frank is a very dynamic person. It is his intention to clean up the French section and get it on really sound lines. Barty seems to like him personally. He thinks that Kenneth's services would

undoubtedly be very valuable in such an organisation.

Milmo is meeting with certain difficulties from the FBI in getting Perez GARCIA, a German agent from B.A, who arrived today at Trinidad, back to this country. We have already arranged to pick him off at Trinidad but had arranged that he should be shipped back to the USA where the FBI after interrogating him for a week would get him back to Montreal and so back to this country by air. It is important that we should interrogate him here as we have 4 or 5 people at O20 who know a considerable amount about him. The FBI now say that they do not think they would be able to get him to Montreal. Thurston is very worried about this and has cabled to ask them what is at the back of the change of attitude. Meanwhile I have ascertained from Brig. Gen. Crockett that G-2 might be able to get him back to the USA and to this country. He would certainly do his best if we supplied him with the necessary details.

July 28th

I had a talk with Ede and Henderson about the MI5-6 representation in Trinidad.

the MI6 man has been recalled and for the last few months Henderson has been carrying the MI6 function. He does not see any necessity for an MI6 man in Trinidad, who has been mainly concerned in sending copies of interrogation reports to M.I.6 and censorship intercepts to B.A. In fact these intercepts are also sent to New York, where

66

they are integrated and subsequently sent to B.A. The latter on the whole would prefer to get them in this way, except in very urgent and important cases where it might be desirable for a copy to go direct. Henderson could quite easily cover this aspect of the problem. He agreed with me that the representation in Trinidad should be MI5 and not joint, although we would perform any duties which MI6 would require and also they would be allowed to communicate direct. We had no desire to bottle-neck their communication through ourselves. Henderson will have a talk with Vivian about this. In actual fact I recommended something of the kind when I came back from New York last year.

Henderson is very anxious to get back or at any rate someone who would be an adequate substitute. Goodacre is all right on the spy cases but it is desirable to have someone with a good deal of Spanish and S. American background to interrogate seamen and passengers. For the moment we shall have to retain as there is no one else in O20 to tackle Spanish cases. is apparently doing extremely well. On the other hand if we do not send him back we shall have to supply someone else.

At the Wednesday meeting TAR mentioned that the dropping of the sabotage equipment for Mutt and Jeff had failed owing to the presence in the vicinity of two of our night fighters. The German aircraft had been over and circled once but on seeing our planes had sheered off.

Our fighters had their navigation lights on so I do not think the Germans need necessarily be suspicious.

BARRON, the Governor of Algeciras, has evidently taken action on the information supplied to him by Mason-Mac about sabotage activities, in Gib. He has arrested CORREA who was found to have sabotage equipment on on his premises in Algeciras, and also OLMO. Another character called Carlos CELVO or VALVO, has been searched.

Baxter reported on the case of a Frenchman called GROSJEAN who confessed on arrival that he had been recruited by the Germans. His case is somewhat similar to that of FEYGUINE. He had no intention of carrying out his mission but was anxious to keep the fact to himself till he arrived in this country. He has spoken of a new type of secret ink which is in plastic form and can be used on a match. He also mentioned a new type of pencil holder which the Germans were issuing to their agents and which were used to hold the match.

Jock Whyte mentioned a P/W letter indicating that civilian clothes are required by the Germans in Italy.

Felix has put in a plea for Kenneth's services to run an S.I.(b) unit for Italy. He is I am afraid too late as we want Kenneth for GSQ.1 I.B. with 21st Army Group.

I lunched with Bonnefousse. I told him that we were anxious if possible to get any information that he might have regarding suspects in France who might be coming through the LRC. since it seemed desirable that this information should be on our index. He then raised rather tentatively the suggestion that from time to time we might be glad of French assistance at the LRC. I thanked him very much and said that there might be occasions when we should be grateful for such assistance. On the other hand we could not have them in permanent attendance as this would mean that we should have all the other allied governments on our backs. It would obviously be impossible to run the LRD on such a basis.

Bonnefusse gave me quite an interesting account of his experiences after the debacle. The 2eme Bureau had continued in operation and had never been searched by the Germans until the occupation of the whole country. He and one or two others had been able to work in allied interests to a limited degree. Since however they were inevitably tied up with the police for the purpose of executive action, they were in a position of very great danger and could only act with extreme caution. There was no doubt that certain elements in the police had subsequently given them away. After the occupation he and a few of his colleagues had succeeded in escaping. They had gone underground and had started up an underground organisation, but the Germans had got on to it and eventually SIS had got

him out of France. He had been able however to leave behind a certain amount and was in contact with his organisation. He was afraid however that a number of his agents had been given away to the police, and in fact received a telephone message to this effect from Vaudreuil while he was lunching with me. Bonnefusse said he hoped to be able to supply us with quite a lot of information and he was very grateful to be allowed to go down and see Baxter at the LRC. There is no doubt that Bonnefusse is working in very close touch with Passy and Vaudreuil.

I had a meeting with Denniston, TARK and Milmo about the suggestion which has come up once more to send back enemy aliens, principally women, to Germany. Some of these have been interned and others are at large. We decided that if the return of these people was accepted in principle, they ought to go into quarantine as soon as any notification is made to them about their return. Otherwise they would have an opportunity of going round and collecting up to date information. Since the information which they will take back will be of a static kind the period of quarantine is really of little consequence. We thought too that each case should be treated ~~very~~ carefully on its merits. e.g. if a man or woman had been employed in some factory of importance it would be for consideration whether ~~he~~ or she should be allowed to return at all.

I went over to Norfolk House with Harry to attend a meeting with Whitefoord, Benfield and Col. Black of the American forces. It was agreed that we should appoint a GSO.1 I.B. for COSSAC. Whitefoord thought at first that this officer could also carry military security and censorship, but we persuaded him that he would have quite enough to do if he tackled only civil security. Benfield said that he wanted to raise the status of his officer to GSO.2 and that he would require under this officer a GSO.2 who would be concerned with the civil affairs side and a GSO.3 who would control a pool of Security Service specialists, interrogators, wireless experts, and counter-sabotage officers. We next discussed XX agent work in the field. It was agreed that this would not come into play until we were firmly established on the continent. Prior to that moment all deception work would be run from this country. When the moment arrived however it would be necessary that a small section should work to the operations branch of the Force Commander, and that they should operate within the framework of the co-ordinated policy of the Controller or his representative. Finally I raised TAR's point about approving authorities for existing traffic. The situation needed some revision owing to the formation of the 21st Army Group. Whitefoord did not however think that COSSAC need come into the picture. They would be dealing with the general scheme of things in conjunction with the Controller. The traffic should be approved by 21st Army

Group and by GHQ, Home Forces. In the former Major Griggs would be the officer concerned, and in Home Forces Benfield thought that Major Telfer would be the most suitable person. As regards traffic affecting the American forces the existing machinery by which approval was obtained through our W.O. and Admiralty, could continue until such time as the American Army Group was formed.

"Window", namely the scattering of small pieces of metal during our bombing raids, was used with very great effect at Hamburg where we dropped 2,300 tons of bombs in the space of 50 minutes, with the loss of only 12 aircraft. The effect of "window" is to cause a reflection from each piece of metal. This to a considerable degree dislocates all the operations of the searchlights, A.A. guns and night fighters. The danger of it is that the enemy can very easily adopt these methods, to which there is at the moment no very positive answer. I gather that the Air Force are so confident of their superiority and the inability of the Germans to conduct any serious bombing operations that they decided that the advantage of using "window" was heavily in our favour. Incidentally it was "window" that SPRINGHALL was trying to pass to the Russians. Information about it had also reached KOHOUT, who gave a piece of the metal to Jack to transmit to the Germans.

July 29th

B.J.s show that the change of Government in Italy came as a complete surprise both to the Germans and the Japs. It was known that from the point of view of domestic administration Italy was in a critical position, but it was thought that Mussolini would be able to find a way out. It seems that important matters relating to the direction of the war were being discussed in the Fascist Senate on the 24th and 25th July but as differences of opinion arose and no settlement reached, a decision by the King was considered. It was thought that the King would support Mussolini, but for some reason unknown the latter's resignation followed. There was no doubt that he had lost the whole-hearted support of the Party. There have been considerable anti-Fascist demonstrations in Rome. Mussolini is said to be under the protection of the army somewhere in the suburbs. The Jap Ambassador in Rome saw Mussolini on the 25th. Mussolini thought that Japan, Italy and Germany should continue the war in close co-operation, but that hostilities with Soviet Russia should be brought to a close. Mussolini, in the meeting with Hitler on 18.6.40 had urged the latter not to embark on a war with Russia but to concentrate his forces in the Mediterranean. This Hitler had refused to do. He said that the Italian war potential was low. If there was a landing on the mainland of Italy the whole country would have to be abandoned south of the Appenines. So long as the enemy did not advance to within 10 kms of Rome he himself had no idea of abandoning

the capital. The morale of the troops was not good, particularly those who had been conscripted in 1935. Italy suffered severely from air raid damage and there was a shortage of food. He could not guarantee that social disturbances would not arise with grave effects on the maintenance of law and order. Only with sufficient assistance from Germany could the situation be dealt with. He thought that even now the Germans could extricate themselves from Russia by going back to the 1939 line. Hitler had formerly said that he would overcome Russia in 10 weeks, but Mussolini had remarked to Goering and Hitler on several occasions: "How often do you intend to repeat actions which consist in advancing 500 kms and then retreating 500 kms.?" Mussolini thought too that the Germans were tired of fighting and would welcome peace with Russia. Hitler was disposed to help Italy but could not do so owing to his Russian commitments. People therefore had the impression that fighting on the Italian front was only in order to postpone the day when she would shut herself up within her own frontiers. These ideas were essentially futile. Time was no on Italy's side and the deterioration of her industrial capacity on account of bombing was a matter for concern. The synthetic oil works at Leghorn could not be put on their feet for some considerable time and if the rubber plant went at Bologna, it would be an enormous military blow. Mussolini intended in the near future to suggest categorically to Hitler that he should stop the war with Russia, and he hoped the Japan-

ese Government would assist him.

According to the Jap Minister in Madrid who has had consultations with official circles about the political changes in Italy, an armistice is likely to result from the recent crisis, and arrangements have been made for the King to abdicate in favour of the Crown Prince. Spain might be asked to use her good offices in arranging the armistice but so far no such request had been received.

I had a long talk with Dixon, who has just returned from W. Africa. He seems to have got things into as good a shape as possible and has had the full support of Swinton, who had played up magnificently. There is little going on in Gambia, which is of any importance. Hill is in charge of the police and runs a fairly good show. In Sierra Leone Brodie has been sacked, and Stepheonson who unfortunately was a weak personality, has appointed a man called Ward in his place, who seems little better. The police are corrupt, inefficient and dirty. The commissioner was stoned by a native whom when brought before the court was only fined 50/-. It is clearly impossible to maintain any sort of discipline under conditions of that sort. In Accra the police chief is Nottingham. He is efficient but disliked. In Lagos there is also a quite efficient force under King with Harris head of the CID. His force is also efficient. Dixon seems to have succeeded in arranging that all suspects when crossing the frontier

instead of being dealt with by the local District Commissioner are brought to the nearest police official and passed down to headquarters for a proper interrogation. This is a major step which was got through with the aid of Swinton and has considerably enhanced Dixon's prestige. The S.I.S cum SOE unit which has up to now been under Col. Lumby, is being taken over by Smith of SOE from S. Africa. There is practically nothing for this unit to do and it should undoubtedly be dissolved. All its functions could quite easily be performed by our security organisation working through the police. The ostensible reason for SOE's presence in W. Africa is that the colonies might at some time be attacked by the French. The real reason is that they all have comfortable jobs and Swinton rather likes to feel that he is surrounded by an intelligence organisation of some sort.

I talked to Dixon about the possibility of his taking up one of the GSO 1 jobs which would shortly be available. He seemed quite pleased with the idea and thought that there was no longer any necessity to have two people at Accra. Mark Johnston he felt could quite easily carry on the job, although he might possibly want an assistant.

SPRINGHALL was sentenced yesterday to 7 years under section 1 of the Official Secrets Act. Platt-Mills, his communist counsel, made a hopeless mess of the case. SPRINGHALL's defence was that he never had any information at all. He never went into the box and his accomplice let him down by saying that she

was thoroughly sick of all this talk about armed revolution. The judge refused to allow Platt-Mills to turn the court into a political debating society, which he was rather inclined to do.

Vivian has written an extremely offensive letter to the D.G. on the subject of Bill Stephenson's relations with the RCMP. The D.G. had notified Stephenson of the D.O. that the testimonial for Bill which he had received from Robertson of External Affairs was not entirely accurate in so far as Bill's relations with the RCMP were concerned. He had sent a copy of this letter to Vivian who has now accused the D.G. of making use of information to blacken Bill without his having had an opportunity of answering the accusations. Vivian says that he himself had seen Wood who was quite satisfied with his relations with B.S.C. My interpretation is that Wood, being a decent sort of fellow and finding Vivian a sympathetic character, was quite ready to back down and let bygones be bygones. This does not alter the fact that in the past Security Co-Ordination have been a source of constant irritation in Canada.

SOE have objected to our establishing relations with CHICHAEV. I have told Archie Doyle that we cannot now withdraw, that our negotiations are of an extremely tentative kind, and have ~~xxxxxx~~ undertaken to keep him informed. ~~xxxxxxxxxxxx~~ We will have a consultation with SOE as soon as Hill returns from Moscow.

Vickery came to see me about the interrogation of Indians, both I/W and civilians, who will doubtless be unearthed in the general mopping up on the continent. I said that as I saw things at present, he would be well advised to send an officer who could form part of the security pool under the GS03 I.B.2, 21st Army Group. I promised to keep him informed about developments.

A further B.J. from the Jap in Madrid indicates that Mussolini tried to put over to the Fascist Grand Council the German suggestion that the whole of the Italian and German forces should retire to the line of the Po. The only support that he got was from Scorza and he therefore resigned, being thoroughly tired out mentally and physically. The collapse of the Fascist party appeared to have had a considerable effect on the Falange in Spain and there are considerable fears about a Monarchist coup. Large numbers of police have been sent to Madrid.

I had a talk with Dick about his taking the GS01 job with COSSAC. I am quite certain that I could not write him off for the rest of the war. If on the other hand it was acceptable to Whiteford I should not mind his filling the GS01 job as a temporary measure with Dixon as his understudy who could step into his shoes when the H.Q. goes overseas. It might even be possible to consider Dick going with it but that would entirely depend upon the situation here at

the moment. We thought that *urnival-Jones could fill the GSO2 I.B. job with 21st Army Group, and Scott-Harston the GSO3 job. If Dick went to COSSAC he would only be doing a part time job as he would still have to carry his duties as D.D.B.

July 30th

The man who committed the act of sabotage in Gib. which resulted in the burning of oil stores has been arrested and has confessed. This action raises the question of summary prosecution by court martial in Gib. which is at present being discussed by the C.O. with the A.G. The alternative is to bring the prisoner back here. This would necessitate half the security staff coming with him and the Governor quite rightly objects to this. We are putting up a note on the matter to Duff, suggesting that he should write to the Colonial minister urging that a decision should be reached at the earliest possible moment. There is no doubt that the execution in Gib. would have a considerable effect in preventing further acts of sabotage.

I attended a meeting with the D.G. today at Kinnaird House on the subject of America. Those present were Desmond Morton, Loxley, C., Vivian, a representative of SOE, Herbert of Censorship, Welles and Diplock. The chairman outlined the position up to the time of Denham's departure. He seemed to think that the D.G.'s telegram to Stephenson had conveyed a somewhat false impression.

Catalogue Reference:KV/4/192

There was no doubt that the previous meeting had decided that M.I.5 representation by B.S.C. should cease, but the chairman had no interpreted this to mean ~~that~~ a final decision for the setting up of M.I.5 representation, which he felt ought to be subject to the reports of Denham and Vivian. The D.G. pointed out that his terms of reference to Denham, copies of which had been given both to the chairman and to C., made it clear that the question of M.I.5 representation had been decided but that the form which was to take was still a matter for discussion. Herbert was then asked to give his views. He said quite emphatically that he thought Hoover's one idea was to get everything into his own hands and to break up British Intelligence in the USA. If we acquiesced in the dissolution of Security Co-Ordination and the establishment of separate representation we should play right into Hoover's hands. He did not think that Hoover had a great deal to give and that his successes so far had been almost entirely dependent on British information. He thought therefore that we should present a united front. Vivian said much the same, and complained that Denham had not created an atmosphere of unity in his approach to Hoover independently of Security Co-Ordination. C. said that the investigation of and Vivian had resulted in a unanimous view that Security Co-Ordination had been run efficiently. The D.G. said that if the view of Sir Edwin Herbert and Col. Vivian that Hoover was a tyrant whose sole aim and object was to set up a world intelligence system under

his control and to break up British intelligence, was thought to be the explanation of Mr. Hoover's present attitude, the best thing would be to get Denham back at once in order that the meeting might hear his views. The chairman agreed and said that in the meantime the meeting should express its confidence in Stephenson, without prejudice to any alterations in the organisation which might subsequently be thought desirable as a result of Denham's report. The D.G. said that jealousy of preserves seemed to be common to all heads of intelligence departments in the USA and that the same might be said of ONI, G2 and OSS. I mentioned that Gen. Strong was particularly difficult in this respect and particularly unreasonable, but that in spite of the attitude of heads, a great deal of co-operation went on on the lower levels. We had only one object, namely to have somebody in the FBI who would be more or less an equivalent of Thurston over here. I recognised that the flow of information from east to west would always be greater than from west to east, but I thought that there was still a certain amount of information which could usefully be obtained from the FBI which we were not getting at present. This could only be done by someone in the Bureau whose organisation had the confidence of Hoover. We should not have minded in the least having Mills in the Bureau working to Security Co-Ordination provided his position was not jeopardised by his connection with that organisation. We had also thought there was considerable advantage in having a

co-ordinating authority. The whole trouble was that for one reason or another the FBI did not wish to play with Stephenson. I thought that this situation had arisen on account of the lack of definition in the spheres of interest of the FBI and OSS. There was a Tom Tiddler's ground in Washington on which both organisations thought they had the right to play. Had BSC, at the moment American came into the war, made it quite clear that they would not poach on the preserves of one for the benefit of the other or keep off doubtful ground, the FBI would have had no complaint against Stephenson. There was no doubt in my mind that this was the fundamental cause of the trouble.

Vivian told me afterwards how much he wished I had gone out instead of Denham. I said that I would have been very pleased but had not been asked. I did emphasise to him very strongly that our best interests in the post-war period lay with Hoover. His organisation would have to go on whereas the future of the others was problematical. Vivian had evidently had a very strenuous time. He told me that he had had a very severe headache for the last 4 days and was going away to try and get rid of it. This may account for the somewhat irresponsible letter that he wrote to the D.G.

"Jap B.S. from Berlin dated 27/7 seems to indicate that the Germans are still in doubt about what really happened in Italy. Badoglio has apparently assured the Germans

that there is no change of policy as regards continuing the war. Badoglio had received a letter from Mussolini thanking him for taking over at such a critical time and for having saved him from plans upon his life. He expressed the hope that Badoglio would continue to co-operate with the Germans to carry on the war with increasing vigour. Mussolini had however expressed confidence in Badoglio and gave him an assurance that he would ^{not} do anything to make his task more difficult and in case of necessity would not hesitate to afford him assistance. If Badoglio wished he was prepared to retire to his villa in northern Italy.

Mackenson, the German ambassador, says that the Fascist Party has collapsed completely with the resignation of Mussolini and that there had been no demonstrations in support of it. The Italian Vice Minister of Marine had given an assurance to the German N.A. that the Navy will fight to the end. It was made clear to the Jap Ambassador that while Germany still desired that Italy should continue the war at her side, they were anxious about the position owing to conditions in Italy which were worse than could be imagined. Both the Germans and Japs are concerned owing to the proclamations made by the King and Badoglio, containing no word about the Axis or the Triple Alliance. They regard this as somewhat significant and as implying a possible peace manoeuvre by Italy in the near future. If Italy collapsed Germany would be sorry to lose an ally bit on the

other hand she regarded Italy as something of an embarrassment. The fighting quality of her troops was bad, she had little equipment a considerable proportion of which had to be supplied by Germany in addition to considerable quantities of cereals, coal oil, steel and iron. It had been a matter of some concern to the Germans that the Italians had fought so badly in Russia and had been selling their arms in the Balkans to the insurgents. It would be a serious problem to Germany to hold down Italy and defend the country as well. She was in a position to determine on her own initiative the defence line against the British and Americans. She had also formed plans to maintain order in Italy whatever happened. The Jap pressed for increased German aid to Italy.

I dined with Barty Douverie and talked about America. He evidently favours united command but thoroughly realises the weaknesses of Security Co-Ordination. He thinks that our problem would be solved if we had someone in the Bureau using the Washington office of BSC. He himself corresponds direct with London and only passes to BSC such information as he thinks may concern any of its other component parts.

July 31st

The D.G. is very worried about yesterday's meeting and the fact that Duff seemed to think he had gone a little far in his

suggestion to Denham to carry out "smooth and

84
speedy transfer" of MI5 work in the western hemisphere. He is particularly incensed with Vivian and had written him a stuffy letter, with a personal one to C. suggesting that if he really authorised Vivian to say what he did, it would be better if C. wrote the letter himself.

I have gone very carefully through the files. The minutes of the last meeting of the Security Executive on 9th April are somewhat ambiguously worded. Having said that Security Co-Ordination should cease to represent the Security Service in USA, Canada and W. Indies, they then say that the Security Services should make their own arrangements for their representation and to send Denham to review their requirements and to make recommendations. It seemed therefore that Security Service representation in the western hemisphere of some sort or other had been decided upon, although the form it should take was still a matter for consideration. There could be no question of setting up any new organisation until Denham's recommendations had been given full consideration. The D.C. wire to Stephenson about smooth and speedy transfer was certainly rather unfortunate, but I cannot see that it was really of very much importance.

Another letter addressed to YAMAMOTO in Switzerland, presumably by the same person who sent the past card, has been received from the Swiss Consulate to which it was

text is somewhat obscure and the signature illegible. Though the envelope had on it "by hand", the letter was posted in London without a stamp. There is a certain amount of data to work on, but the general effect of the letter is to let Donald out.

I spoke to Courtnay about the HARRIS case, and told him that he ought to have referred it to someone in authority when he found that no progress was being made. I told him to arrange for _____ and that soon as this was done he should let me know and I would hand the case over to Burt. The interviews with HARRIS and his wife would need careful timing and should be arranged in such a way that their first meeting after the interviews should be at their home.

I lunched with Harry Allan when I discussed with him the question of our GS01 for COSSAC. I thought that it might be possible to meet Dick's earnest desire to do this job if he were given the GS01 position with Dixon as his GS02 and understudy. If it were possible for Dick to go abroad when the time came we might be able to release him for a month or two but it was quite impossible for me to write him off for the rest of the war. Harry doubted whether this would be acceptable to Whiteford. He thought it better that Dixon should hold the job and have Dick at his back to do the planning, which would take place almost entirely in the UK. I shall talk to him again about this as I think that if

46
put the matter quite frankly to Jock White-
foord he might agree to the course suggested.

Burt tells me that he has seen HOYSE and served a summons on him. The night before HOYSE had been talking about seeing Cabinet Ministers but when Burt saw him he took up a very correct attitude, presumably on the advice of his solicitor. HOYSE said that he was quite innocent of the charge, which he thought should never have been brought. Burt merely replied "Do you think, Ho se, that the Law Officers of the Crown, who have given the matter careful consideration, would prefer a charge of this sort if they did not think that there was a fairly strong case to answer?" HOYSE made no reply.

Henderson has put in a report on SIS work in Trinidad which Vivian has agreed should in future be done by the DSO. This is in fact a recommendation which I made more than a year ago.

August 1st

Michael Ryde has wired to say that SITTIG has been d.f.'d somewhere in Swaziland. He is going down to Cape Town to co-ordinate further action with Oliver.

Montagu rang me up about a German who appears to be connected with some freedom movement whose signal has been picked up by an Admiralty station. The First Lord got hold of the matter, reported it to the Chiefs

Catalogue Reference: KV/4/192

of Staff who passed it on to the JIC. Montagu thinks that the case might possibly be handled on U.L. lines and an attempt made to find out whether it is genuine.

Dick Butler tells me that Orr, uninvited, had again made a long speech to Duff about the organisation of this office and the succession problem. I do not know what he said but Duff ended by showing him the door. Duff is absolutely furious and thinks that Orr is not a fit and proper person to be in this office. He cannot however be sacked as the subject of his conversation is of course an extremely delicate one, which in present circumstances could not be disclosed to the D.G. A further difficulty is that by arrangement with the D.G., Duff has the right to see any member of this dept. This is both an advantage and a disadvantage to anyone running this office. Duff's difficulty is that if he does not have right of access to all and sundry it is almost impossible for him to be responsible for the organisation. If he acted like any other minister he would be seeing files and forming his opinions in the ordinary course of his duties. As this is not the case it is perhaps difficult to refuse him access to individuals.

Jim talked to me about the 20B cases of the members of the BUF. He had been through them very carefully with Noakes. He thinks that 20 could be quite properly released as being colourless or sick, another 20 might just conceivably be released as people

who are disgruntled and might do harm if the opportunity easily presented itself. The remainder he thinks, comprising some 30 people, should remain inside. We propose to tell the H.O. that we think that anyone who seriously wants Germany to win should be under lock and key, but that if they consider as a matter of high policy it is expedient to release members of the BUF we should raise very serious objections to the release of anyone in the last category, which comprises the leaders of the movement and the tougher members.

August 2nd

Ploesti was bombed yesterday at 2 p.m. by about 150 Fortresses. According to ISOS considerable damage was done to the refineries and fires have been started. This makes me all the more apprehensive for Abadan. If the Germans had the sense to write off 25 planes and could hit the power station and in particular the turbines, they would undoubtedly cripple our war effort for many months. There are very few A.A. guns, practically no planes and no RDF.

Thurston came to see me and brought the telegram that was received from Washington on the 22nd May. The D.G. required this telegram in connection with a letter he was writing to Duff. The telegram stated that Stephenson had asked for an appointment with the Bureau to discuss arrangements for bringing Denham to the Bureau in connection with MI5 representation in the USA. Cimperman

was asked to ascertain discreetly if Stephenson was going with the knowledge and consent of the D.G., or whether he was merely trying to inject himself into the new picture". After consultation with the D.G. on May 25th. Cimperman sent a reply to the effect that Denham was the direct representative of the Security Service and would therefore be making his own arrangements for seeing the Bureau.

According to a Roumanian B.J., it was Grandi who must forward the majority resolution that the Army should take over the Govt.

I saw Stephenson at Claridges. Although he implied that the highest quarters intended him to remain as head representative of British Intelligence in the Western Hemisphere, he was I think a little nervous about his position and about what Denham would say when he returned. He repeated all the arguments that had been put forward by his sponsor at the meeting on Friday at which he was not present. He was quite convinced that Hoover was out to break up British Intelligence in the Western Hemisphere. He blamed us for not sending him out an expert when he was given a mandate for the Security Service. I explained to him that I had been very keen to do so but there had been consistent opposition from SIS. They had in fact disputed our right to communicate direct with Stephenson on any matters affecting the FBI. The question of sending Mills to Washington had been raised. Some objection was always raised to this. Many weeks passed while we waited for Stephenson to return and nothing could be done

until he did, and we were told that Winant was going to solve the problem, but that he had been held up in the States. So it had gone on, until the impasse was reached resulting in the meeting of the 9th April when it was decided to make a change and establish our own representation. I personally regretted the whole business and was heartily sick of the disputes that were going on. All I was anxious to see was a representative of the Security Service who knew our work thoroughly co-operating closer with the FBI in Washington. If he were nominally under BSC and this was acceptable to Hoover, which is what we had in mind when we made Stephenson our representative, all would be well. Stephenson was very anxious that we should pay no attention to what Denham had to say when he came back, and that if it was decided to restore to him the Security Service mandate I should go out and arrange for our representation. He did not think it would be a good thing to put Mills with the Bureau since Mills would now be tarred with the Denham brush. I sensed very strongly that Stephenson has taken a dislike to Mills because he knows too much about BSC. He thinks therefore that it would be better to have him out of the way. I pressed him on this point but he refused to be drawn. He had Brendon Bracken with him and a number of other high spots in the American world. The fact is that he has played his cards extremely cleverly. The trouble is that all his talents on the high level are not directed towards our particular line of business, in which he

really has very little detailed interest. He admitted to me that he in no sense considered himself an expert in C.E. He left on perfectly friendly terms. He told me that if we did establish our own liaison he would resign. I doubt it.

August 3rd

The D.G.s meeting took two minutes - nobody seemed to have anything to say.

I told the D.G. about my meeting with Stephenson.

I also told him about a suggestion from the ISSB that in order to prevent leakage of information about the German rocket gun if and when it fired, all traffic to Eire should be stopped for 48 hours. I had replied that as the burst of the rocket would probably be observed by reconnaissance planes I did not think any measures to prevent traffic to Eire would be of much use. Even if, as they suggested, traffic were reduced to official persons only, there were still the crews of boats and aircraft. Moreover the officials would probably be more likely to leak than the ordinary passengers. Quite apart from all this there was the coastal traffic. The whole idea seems to me quite fantastic.

I took Dick's meeting. Herbert mentioned Felipe V-man no. 305, who is now described as a commercial traveller. The trouble is that

wherever he goes he puts in a false report, if indeed he goes there at all. What is perhaps even more probable is that he does not exist.

Patrick Day talked of the case of a man called MAASON, a Dutchman who had come from Europe to S. America and thence to Canada where he had joined the Dutch forces, subsequently being drafted to England. We had then obtained information that he was something of a Quisling. The interrogation shows that he has quite a long record of connection with the German S.S. This case rather raises the whole question of the examination at the LRC of representatives of allied armies who have left Europe fairly recently and enlisted in Canada. I have asked Milmo to look into the matter

I saw Duff and left with him the MT5 report. He thought it was a little dull this month with which I agree. He has the GARBO report however to stimulate the PM's interest. He said: "I suppose you would not like him to take it with him to America?". I said no, because I thought it might be washed up on the shores of France, which would be unfortunate.

We discussed the meeting about America. I gave my views, with which I think Duff more or less agreed. He seems to think that Stephenson has dug himself in so far that he will have to remain, but he is quite aware that the whole thing is to a large extent a ramp. I told him that I thought C's point

about using the power of withholding information was a bad one. It would be impossible to withhold valuable information which concerned an ally. It was in fact a bad principle to bargain and blackmail with information. Equally I thought that we had to consider very carefully whether it was wise to antagonise Hoover, who would probably be the only investigating authority in the USA after the war.

On the night of the 27th the Germans dropped Mutt another consignment of sabotage equipment, a radio set and 400 fl notes, just south of the river Ythan in Aberdeenshire. Unfortunately the parachute did not open. The radio set was smashed, some of the sabotage material, again of British make, was broken. As this consignment landed only half a mile from the agreed spot, Mutt has acknowledged receipt of it, reporting the damage which occurred.

Recent reports indicate that Tricycle has once more largely overcome any doubts which may have been held by the Germans in Lisbon. He has had difficulty in getting a visa for Madrid and his Abwehr friends are going to Lisbon.

The Worm, who is a Czech recruited by Tricycle's brother, has arrived from Switzerland. He seems to be genuine and is to be used as a XX.

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ACT 1958. *June 2nd*

94
Puppet's first two letters have reached the Abwehr in Brussels. They think the quality might be improved. They are sending someone to assist in Lisbon.

Brutus has been released by the Poles.

August 4th

I heard two rather good stories about the P.M. After his return from N. Africa Eden wrote a memo on the N. African situation after Tunis. After reading it the P.M. commented: "This contains every known cliché except 'God is Love' and 'Adjust your dress before leaving'."

The other one was that at the P.M.'s meeting with de Gaulle when he found the latter rather more irritating than usual, he concluded with the words, in a villainous accent: "Si vous m'obstruerez, je vous pulveriserez."

I now have some of the details of Orr's visit to Duff. He told Duff that he was still worried about the succession problem, and he was quite convinced that Lennox was the man for the job. He had previously discussed this point with Charles Butler. It had cost him a bottle of port but he had found that Butler entirely shared his views. This is interesting since Lennox had also told Dick Butler that Charles was very much in favour of his getting the job. Orr did not think I was suitable and in any case my appointment would be undesirable as I was very

much in the hands of Rothschild. Duff said that he gathered that Orr was anti-Semitic. Orr said that he was not anti-Semitic and that in fact he had a certain number of Jewish friends whom he regarded very highly. Duff said that was the answer one always got from anti-Semites. Orr then said that he did not think I was suitable for other reasons, and that I would be quite satisfied if I were given a decoration. At some point or other during the interview Duff pressed his bell and asked his secretary to show Mr. Orr out. Duff is quite clear in his own mind that Orr is more or less off his rocker.

The minutes of last Friday's meeting on America have now come in. The meeting agreed (a) that Mr. Denham should be recalled to report immediately (b) that in the mean time no further steps should be taken towards a transfer of the representation of the Security Service in the western hemisphere from BSC to Mr. Denham (c) that Mr. Stephenson should be given an immediate assurance that he had the complete confidence of all the British Services which he represents. (d) that if as the result of Mr. Denham's report any change in the existing position of BSC as representative in the western hemisphere of the 3 British Services and of the Security Executive, were contemplated, no such change should be carried out without prior consultation with Mr. Stephenson. A telegram has been sent to Denham telling him

that it is possible he may not return to the US on account of the views of last Friday's meeting. We are getting Mills back.

At the Wednesday meeting Hart mentioned the agent who was being trained by the Germans in Norway for a mission to this country. This man is probably connected with requests made by the Germans in Lisbon to supply for the use of the Abwehr in Norway a cover address to which an agent of theirs could write from the U K. It was suggested that the addressee supplied should be a Norwegian speaker as the agent could not write in any other language. Lisbon have no such suitable addressee and think that correspondence in Norwegian to Lisbon would be very suspicious.

Hart's sources also disclose that the Algeciras police have in custody an 18 year old seaman named William J. HEAP who has deserted from his ship the "Ville de Strasburg". This man has expressed a wish to serve either in the Blue Division or in the German service.

The German service in Madrid are still getting wild reports from what would appear to be imaginary agents in this country.

Bird mentioned the interception of letters which are passing between Mexico and Hamburg and which contain duff. It seems that the Americans have been substituting the duff and removing some which they thought objectionable.

They have probably blown the case since there appears to be another cover address to which duplicate letters are probably being sent. I told Bird that if he would give me a note about this I would speak tactfully to Thurston.

Harry Allan rang up to say that there would be a meeting with the Force Commander of "lacrity on Friday. A request has come for two Italian speaking interrogators who are required in N. Africa for a period of two months. I imagine that they want them for P/I work. This is rather outside our charter but it would I think be possible to send d'Egville and one of the SCOs called Bennett, or possibly "oskill.

A Jap B.J. shows shows that an interview took place between the Jap Ambassador and Badoglio on the 31st when the latter gave his assurance that there had been no change in his determination to continue the war. He said that though he was an old man he was resolved to do everything he could and would be prepared to fight till he dropped. It seems that there is a considerable amount of anti-Fascist and anti-German propaganda going on in spite of the confiscation of certain newspapers. There have been popular demonstrations in favour of peace and some acts of violence against Germans and fascists. There is considerable trouble in Milan, Turin and Genoa, and strikes are continuing everywhere. Fascist volunteer forces are still resisting in a number of places, and a mechanised detachment has applied for help

to the German Army near Rome. In spite of successive declarations by the Govt. appealing for a united front, it is feared that the activities of the various Left Wing factions may give rise to serious domestic questions particularly if there is a shortage of food-stuffs.

Three British ships have been severely damaged by bombs placed under the keel by the Italian sabotage organisation operating from Algieras. One Italian prisoner has been captured. The ships were anchored presumably on the Algieras side of the bay owing to the congestion in Gib. harbour. If we can get a statement from the prisoner we shall be able to address another protest to the Spanish Govt. about Italian activities on Spanish territory. A protest about German activities has already been launched. This was in connection with the Coaling Island incident on 30.6.43 and other acts carried out by saboteurs in the pay of the Germans. The culprit in the Coaling Island incident is Jose Munoz MARTIN, who has been arrested and has confessed. He was detected by means of a faked act of sabotage to petrol stores in the aerodrome area at Gib. and subsequent chat between the XX saboteur who did this and MARTIN who was suspected of the Coaling Island incident. Examination of British merchant ships' hulls at Gib. revealed two bombs attached to the keels of s.s. Hartbridge on 7.7.43. These bombs were definitely of Italian manufacture. Attempted sabotage seems to be a combined effort on the part of the Abwehr and the

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ACT 1958. *June 20*

99

Italian organisation at Huelva, where a bomb was put on. On 8.5.43 explosions occurred in two British ships, the s.s. Carmata and the s.s. Mahsud, and one American ship, the Pat Harrison. All vessels had to be beached. All three incidents were certainly the work of the Italian organisation in Spain. One of the measures we have adopted to counter this type of sabotage is to pass a bottom line round the hull of the ship to see if any obstruction is felt. In the latest attempt, special apparatus is included so that when the bottom line is passed round the hull it passes smoothly over the bomb. In other words a false bilge keel is attached to the outside of the bomb.

TAR and JC came to see me about the case of a Dutch agent trained by the Germans who has come out to Lisbon and offered his services. The Germans want him to work if possible in Panama, but would consider his working in the U.K. S.I.S. have passed this case both to us and to the FBI which is unfortunate in principle since had we wished to employ we might have been at loggerheads with Hurston on the question. I pointed this out to

of Section V: Both TAR and JC feel that experience has shown that it is more profitable to let an agent work where the Germans want him to work and that any attempt to do otherwise would not be particularly profitable. Before making a final decision

Catalogue Reference KV/4/192 the full report which has now been translated.

100
TAR and JC also talked to me about Plan Bunbury. They think that possibly the H.O. ought to be informed. I am arranging to see Newsam as Maxwell is away.

Frost came to talk about signals security. He has ascertained from the Services that allied signals security is closely controlled by the "avy and Air Force, that since the British Army signals security is at the moment non-existent allied army security is more or less in the same position. An improvement is hoped for when the army get going on the basis of the Reid report.

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Victor talked to me about a memo which is writing on the security of the Persian Railway. At present Paiforce are responsible but the management of the railway is in the hands of the Americans. He argues on the basis of utility undertakings in this country that Paiforce can only really be responsible for armed sabotage and for advising the management. He thinks that this position should be made clear and that the Americans should be urged to take various precautions, e.g. to run barrels over the track for the purpose of inspection.

The D.G. is extremely depressed about America and is writing a long letter to Duff which he has submitted for consideration. It needs amendment I think in a number of places.

August 5th

At the 12 o'clock meeting today Dart mentioned a high level message from Rome to Berlin indicating a leakage about Fleet movements from this country. If the facts are correct there are some indications that the leakage may be due to a cypher break.

Perez GARCIA has arrived in Trinidad. He is to be taken via ferry command plane to Panama where he will catch a British warship destined for this country.

I saw Archie Boyle and discussed with him the case of CHICHAEV. I asked him point-blank whether Hill had spiked our liaison in Moscow. He said that frankly he did not think that he had although he regarded him as a slick customer and extremely conceited. He thought him capable of it, but he certainly would not admit it. In fairness to him, the cable which he had sent asking that we should act with caution etc. rather implied that he had not made any suggestion to the Soviet authorities that his organisation should be the sole link. I told Archie that we had asked the Czechs to arrange the meeting with U.35, that our purpose was to feel our way with the Russians, with whom we had no contact. We had no idea at the moment of keeping CHICHAEV under observation. If we intended to do anything of the kind we would certainly let him know and we would in any case take no such action before Hill's return which is

102
expected in the course of the next few days. Archie wonders a little how it is that Hill has been able to establish himself so well in Moscow, after advertising himself as a British spy in Russia at the time of the revolution. Though he did not say so I do not think he would rule out the possibility that Hill gives more than he gets. Hill apparently has some Russian blood. He is extremely well regarded by the British Ambassador.

I later discussed O.S.S. agents. I asked Archie and John Senter, who was also present, whether any O.S.S. agents engaged in S.O.E. activities would necessarily come to their notice if they came to this country. Was SOE so to speak integrated with O.S.S. on their particular line of business. Senter said that if the agents were operating from this country to the continent they would know about them but if they were merely brought here in transit for the purpose of training them they might not hear about it. Archie and Senter advised therefore that we should get into touch with O.S.S. ourselves in order to clarify the position.

I saw Newsam and explained to him Plan Dumb-bury. He thought it possible that Watts, head of the explosives dept. might be brought in. I said that if and when he was, we might consider whether it would be better to inform him of the true position in case he discovered that the whole business was a hoax and gave the show away. Newsam was I think pleased at having been brought into this matter. He

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ACT 1958.

103

referred to the early days of the war when felt that MI5 regarded the H.O. as a lot of 5th columnists. He said that the H.O. very much against their will had been rushed into taking all sorts of action by the military which they thought highly undesirable. Matters had now reached a much more satisfactory state of affairs and he felt that M.I.5 were taking up a very reasonable attitude about releases from internment etc. He thought that the lack of anxiety by the H.O. at the time of the crisis had been fully justified by events. I told him that I thought the real trouble had been due to the fact that the original policy whereby the internment of whole categories of aliens was to be considered had been reversed. Tribunals which had been set up had an impossible job as they were without any sort of background and when their work was completed we were really no further on as regards knowledge of the sentiments of the enemy alien population than we were at the beginning. For this reason we thought wise to recommend that if possible they should be removed to dominion territory. If there had been an invasion it would have been a serious handicap to have a large population of enemy aliens who would have required considerable manpower to look after them and would have been useless mouths. He more or less agreed with this. I also reminded him that the mismanagement of the general internment was largely due to the fact that the military had taken over the

Catalogue Reference KV/4/192 had not been used at the outbreak of war. Our interview was

164
extremely friendly and I had the feeling that it did quite a lot to promote better relation between ourselves and H.O. There is no doubt that Newsam responds quickly if you take him into your confidence.

I saw Duff and took him Frost's memo about Signals Security. I explained to him exactly what our purpose was in enquiring into this matter. If allied govts. were communicating we wished to know whether their communications were discreet and also whether their cyphers were secure, since we were responsible for leakage of information in this country. He agreed.

August 6th

TAR came to see me about running Josephine for deception purposes. There is a slight rub between Antony and Stopford. I said that as Stopford was running her as an agent and Antony only used her for purposes, I thought it better that she should have one master in her capacity as agent. Antony would of course have to prepare the deception and could send it to Shanks for transmission. He should however let Stopford know what it was proposed to send through Josephine. The information reached Josephine as from Stopford.

At the 12 o'clock meeting Herbert mentioned that from reports he had seen at the LRC it seemed fairly clear that the Germans had only just got on to the Sibiril organisation in France which has been responsible for getting between two and three hundred people

out of the country by boat. He thought ~~the~~ LAGALLE's case ought to be reviewed in the light of this fact, since had he been acting as a German agent one would have supposed he would have given this organisation away. Stamp and Muster had various counter-arguments but are going to review the case.

I attended a meeting today, at the War Office, Harry Allen in the chair, to discuss security measures for Alacrity. M.I.1, W/C Luke, Sir Edwin Herbert and Felix were also present. Air Vice Marshal Brommett is the Force Commander. Occupation is to be by consent, but only one island, namely Terceira, is to be occupied, with the exception of a small naval contingent at Horta in the island of Fayal. Commodore Holt will be in charge of the naval unit and is to look after the cables. Sir Edwin Herbert said he thought it would be necessary to have censorship in Horta and Ponta to see that wireless traffic was looked at. The cable traffic via Cape Verdes to Gib. was under our control. There would also have to be censorship on the internal cables and letters. The Portuguese Censorship in the Azores, Madeira and Cape Verde Islands was not very effective but the Portuguese were ready to accept advice and representatives were proceeding to Lisbon. The British Censorship were putting personnel at Portuguese stations. Port control of transit shipping will have to be done if it is done at all under Portuguese cover. Service censorship will be done in units and again in London.

Troops will be instructed that they cannot use the local post and the Portuguese authorities will be asked to bring any cases to notice. It is proposed that all enemy nationals shall be removed and also enemy consulates. The F.O. representative, Mr. Walsh, is going out with the party for liaison purposes. Felix is sending Paul Mathews to Ponta where the International Police are situated. This island is some distance from Terceira. The Air Force are sending a Security Intelligence Officer to do purely military security. Three interpreters will go with the party, but the Air Force have asked for permission to recruit a few interpreters locally. We have been asked to send a security adviser and also a port officer who may go out fairly soon in order to get some idea of the traffic. Personally I do not see that he can do very much, if he is to work through the Portuguese. There was apparently some idea that news of our arrival would not leak back to the Germans for some considerable time. Personally I should be surprised if they do not know something about it already and in any case they are bound to find out at a very early date, through seamen en route for Lisbon. ○

August 7th

I have seen Burt this morning. He tells me that last minute efforts have been made by HOYSE in high quarters to get some postponement of his case, which has been adjourned till next Thursday. Meanwhile Messrs. Gordon

Dadds, in the person of Ratcliffe, have made an extremely improper approach to Sir ... Dunbar who is one of Burt's witnesses, in connection with the manufacture of Seafire aircraft. Ratcliffe apparently assured Dunbar that there was nothing improper in this approach and he succeeded in getting from Dunbar a statement more or less indicating what he was going to say. Ratcliffe tried to cross-examine him on this statement, but Dunbar stood his ground. No harm has I think been done but Ratcliffe's conduct is to be reported to the Law Society. // Burt is going down to investigate Plan Dunbury which took place last night. I have not yet heard any details. Burt thinks that he may be able to help a bit on the press side since both the M.O.I. and Newsam think that they could not give the story to the press without arousing considerable suspicion. The C.C. is giving it to the local press and I have suggested that he should explain when doing so that he has approval from Censorship, as it is thought that the public need to be made aware that something is going on in their midst. It is hoped that this will stimulate security.

The agent "Gerard P" has been identified, and is on his way to the U.K. He is a Frenchman named Ploix de Rotrou.

Ostro has been asked to report about concentrations on the south-east coast. From the point of view of deception this suits us very well provided Ostro reports correctly.

This however is doubtful, as his information which is alleged to come from civilian pilots is usually extremely poor.

Baxter mentioned the case of the 3 brothers. Martel. One in Paris is working with the Brandy escape organisation, while Georges, his brother, appears to be collaborating with the Germans. The third one, Lucien, is in this country working with the French FEYGUINE appears to have been given an introduction to Lucien by George. It is necessary to get to the bottom of this story. Stamp is going to take up the running.

I have now heard that Plan BUNBURY went off quite satisfactorily and that everything is proceeding as arranged.

Frost came to tell me that he was going to have an interview with somebody in connection with a job that he might get with the Wireless Board. Had I any objection. He said that he had come to the conclusion that the job he was doing now was not really commensurate with the salary he was getting. He thought that if there was anything else of more use he could be doing, he should give another organisation the benefit of his services. I said that of course if he felt like that there was no objection that I could see in making prospective enquiries. I asked him to keep me informed. He then took me down to see his wireless van, which is a mass of gadgets and he says by far the most efficient van in the country. This may well be so but how do I know?

TAR has been down to Holloway about the Victoire case. SOE are extremely worried about the special wing of Aylsbury having been closed down. Personally I think the chances of anything going wrong are about a million to one. They had previously agreed to My ERIKSEN going back to Stockholm in exchange for an SIS agent, which in fact involves them in far greater risk. However they evidently feel that they have got to do everything possible to stop Victoire's information getting out on account of one of their people who is at present in Paris and also the brothers of LUCAS who are also believed to be at large on the continent. Unfortunately Victoire has been in touch with an IRA woman who is shortly to be released and also with Mrs. HIRSCH who wants to go to the Argentine. We are going to try and get the H.O. to re-open Aylsbury since in any case the Governor at Holloway finds the segregation of his new guests a great embarrassment. The initial trouble was that the H.O. were asked to close down Aylsbury in spite of the fact that Harmer had put a minute on the file explaining that SOE would have to be consulted.

There has been a most interesting Jap B.J. indicating a meeting between the Jap Ambassador in Berlin and Hitler somewhere about the 30th July. The Ambassador explained the difficulty of consolidating their new gains because of shipping. He intimated somewhat optimistically that things were improving. It was Japan's policy to inflict blows upon the enemy wherever possible and

to cause losses to their war potential. As regards the USSR it would be unwise at this juncture to extend the war area and disperse Japan's military forces. Difficulties would moreover be intensified with the shipping problem. The Ambassador thanked Hitler for sending BOSE to the Far East. He had been very busy with the organisation of the Indian Volunteer Force in the Singapore area, with plots against India, etc.

Hitler then spoke of the political change in Italy. He found it hard to bear that Mussolini his great friend should have received the callous treatment of arrest. He said however that the incident was not entirely unforeseen and he was considering ways and means of meeting the situation. Hitler attributed Mussolini's downfall to the bad condition of the Army. He drew a contrast between Italy and Germany. In Italy the Army was the King's and the administration was Fascist, each separate entities, whereas in Germany he had brought about unification of the country and the Party, and the identification of the Army with the State, building what he described as "one harmonious whole". He took a poor view of Badoglio. When Italy came into the war he proposed that the Italian forces should enter France through the gap created by the Germans while simultaneously attacking the French with 4 divisions on the Franco-Italian border. This was rejected owing to the confusion that it might have caused. All 17 divisions had therefore been centred on the Franco-Italian border

but had suffered severe losses. He had asked Badoglio to occupy the islands of Crete and Cyprus, but Badoglio had opposed this and instead had staged the disastrous attack on Greece. Hitler had no longer any confidence in the Italian army and he realised the possibility of the disappearance of their war-consciousness and even of a separate peace. If the allies landed on the Italian mainland, he would not commit the folly of fighting for southern Italy. He would take the Appenine Range, the River Po and then the Alps as his defence lines. He intended to increase the number of troops in the Balkans, south of France and Italy proper.

On the Russian front it was Hitler's policy not to embark on a large offensive but to make the Russians wear themselves out. He thought they would start an offensive in May or June but they did not do so. Since Germany disliked the Soviet's winter offensives he thought it might be advantageous to forestall this by a local attack beginning in July. This caused the Russians to embark on a frontal offensive which enabled the Germans to carry out their defensive operations which had been previously planned. This seems to be a somewhat tortuous piece of argument. He thought the Russian infantry was not as good as it was, but that Russian tanks should not be despised and their numbers were great. It was not an easy fight for Germany. She intended to make a gradual withdrawal from the Orel salient, inflicting heavy losses as she did so. By so doing Hitler would be able to

withdraw 15 divisions who could be moved if necessary to other spheres. He hoped the Japs would not misinterpret this as a defeat for Germany. He intended to strengthen the European fortress and doggedly drive back Anglo-American landing operations.

The Jap said it was clear from what Hitler had said that the Soviet forces would not be rendered impotent by force of arms in the course of the present year. What were the prospects of defeating them in the future? Hitler said that Germany was considering the execution of a great offensive but that the moment would have to depend on the action of the U.S. and Gt. Britain. The Jap then suggested that consideration should be given to coming to terms with the USSR and concentrating exclusively on the U.S. and Gt. Britain. Hitler said that he was not entertaining any thought of making peace with the Russians. If he did so the Russians would undoubtedly join hands with the U.S.A. and intensify pressure against Japan, a situation which would be extremely difficult for the latter. This also seems to be a rather specious argument.

Keitel, Jodel and the Jap M.A. then joined the conference. Hitler tried to impress upon them that the USSR was one of Japan's greatest enemies. At the same time the moment for Japan to attack Russia was for Japan to decide and he quite understood difficulties about transport. Germany had no intention to dictate Japanese strategy. It was moreover

important to bear in mind that anti-tank guns were of vital importance in a war with the Soviet. He did not know how well the Japs were equipped from this point of view. It would however be a considerable disadvantage to the Axis if anything went wrong with an attack, once it was launched.

Ribbentrop then chipped in, saying that although Germany did not wish to make any demands as to the direction of an attack, they did wish for an attack to be made as vigorously as possible, whereupon Hitler turned immediately to Ribbentrop and said that such a request was unreasonable. It was impossible to undertake a major attack without time to prepare for it. It should be for Japan to choose the most favourable opportunity. The Jap Ambassador got the impression that while Hitler still entertained friendly

feelings for Mussolini, he was incensed at the way the Italian Army had acted. He thinks Hitler will make a show for a time of respecting Badoglio's statement that the war continues, but that at the same time he will be completing preparations to save Mussolini and to create a new Italy with with him at its head. In the event of the Italians concluding a separate peace he will probably try and hold one of the lines previously referred to.

An S.I.S. report dated 5th August says that the Hungarian Minister who has just returned from Buda Pest, has seen the Jap Minister in Lisbon. The Hungarian Minister and the Jap have advised the Italian Minister that Italy should

Catalogue Reference:KV/4/192

not precipitate peace with the allies as very important negotiations were taking place between Germany and Russia with the Japs as intermediaries, which should have far reaching repercussions. This report is circulated under reserve as although there have been rumours in circulation about German-Russian approaches, the Italian minister was not necessarily being told the truth.

A Jap B.J. of the 3rd August indicates that Hitler has been misinformed about Badoglio and urges that Germany should give him full co-operation. He says that Hitler does not appear to realise that Mussolini's downfall was due to designs within his own party and that the suggestion that the Army should take over came from inside the Fascist Party rather than from any intrigues by the Army.

Mutt has acknowledged the receipt of the sabotage material but has told the Germans that the radio set was smashed and asked them to send a new one.

Brutus has been returned to his home pending court-martial.

The Germans are still left in some doubt about Tricycle, but he has given them a categorical assurance that he is not working for the British. Jebson and Luduvico still believe in him but Heribert has his doubts. I think that Tricycle will probably get away with it but it may take a considerable time for him to re-establish complete confidence.

The Jap Consul in Hamburg reported on the 25th July that 80% of the Blühm & Voss works were destroyed in the recent raid. Casualties were 400 killed, 600 missing and 5,000 injured. It is said that some 300,000 people are homeless. On the 27th July the central railway station and a number of factories were destroyed. The general opinion seems to be that Hamburg is out for the duration of the war.

○ The P.M. has got away successfully but the whole of Fleet St. is buzzing owing to a statement in the New York press that the President is having another meeting with Churchill. They have been round to Downing St. and finding all the blinds down naturally concluded that there was something in it. I understand that certain members of the P.M.'s staff left important papers in the train on the way to Glasgow.

August 9th

I had another talk with Stopford about Alacrity. It seems clear that if he is to perform any useful function he must be in charge of the establishment of proper relations with the Portuguese authorities. This is really the key to the whole position. For this purpose Mathews should really be under his orders, and he should proceed straight to Ponta; when satisfactory liaison has been established he should return, but his successor should if possible have some previous training here before the expedition starts.

116
A British ship called the "Fernplant" arrived at Haifa on 6th August with a bomb attached. The bomb has been removed without damage. It was presumably attached at Istanbul. This is the second case within the last few days.

At Dick's meeting today Stamp mentioned the arrival of ZECH-NENNTWICH @ BOETSCHER, a German officer in the Todtenkopf division of the Waffen S.S. This man had got into some trouble in Poland and was to be transferred to some other front. He fell ill or feigned illness and then deserted. He approached the British Consul in Stockholm stating that if he could go to England he would be quite ready to be interned. He is being put up in one of TAR's houses and will be interrogated first by Melland. He served on the Russian front at Toropetz and received a decoration for gallantry. It was said that at one time he was Himmler's ADC. He is held under an RLL order.

Tricycle has apparently been accepted and we are awaiting developments.

Luke came to see me about the suggestion that he should become DSO British Honduras or Windward Is. He is not very keen about either but is quite prepared to do what he is told. I said that I would have a talk with Ede on his return next week.

Victor and Miss Clay came to talk to me about a Russian or Polish woman known as the Queen of Hearts whom Gib. think may be able to penetrate the Italian sabotage organisation.

Gib. suggested she should be offered £1,000 if she gave information leading to the arrest of anyone about to commit an act. I said that I thought the figure was too high and suggested £500. I also thought that she might merely obtain information about some small fry and leave us with the ring-leaders. It seemed to me that we ought to know more about what we are paying for.

Plan Bunbury is going on but there has been considerable difficulty about the publicity. The local C.C. is however trying to stir up the local press. Burt is on the scene and Victor is going down tomorrow.

The D.G. has written a letter to Duff clearing away the misunderstanding about the purpose of Denham's mission to USA. Denham himself is expected back in the course of the next few days.

I saw Miss Mackenzie, a friend of Miss Sherer's. She went out to New York with Evelyn Baring on his second visit. Evelyn finding that Security Co-Ordination did not want him, returned and left her there. She took over the Registry. She says the filing system was extremely bad. There were no minute sheets and everything was lumped on to an omnibus file, e.g. German Intelligence Activities in S. America. She spent a good deal of time trying to split these files up and make personal files but she got very little encouragement. There appear to be a number of separate registries which are badly inter-connected. Stephenson has a most

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secret registry of his own and does not always put a card in the main index. The same applies to S.O.E. The consequence is that to be sure in doing a look-up that all the ground is covered it is necessary to consult all three registries. Miss Mackenzie cannot see that the uptown office really has any function to perform. The S.American stations have been taken away and are being controlled from London. Wood, who sits in the uptown office is responsible for policy or administrative matters in S.America and receives copies of the S.American reports which are presumably embodied in the Bulletin. The Section V. representation consists of Gavin Young, Mrs. Sylveston, Mrs. Montagu, and one other. Hyde works more or less on his own on M.I.5 enquiries. Pepper also works on his own. Ronnie Sinclair is dealing with Indian affairs, as is also a fellow named Hill who works directly to Stephenson. He does not however co-operate with Sinclair.

the Portuguese contact of EASTWOOD in Lisbon, has become known to the Germans as a British agent. They are therefore suggesting that EASTWOOD should desert his ship and proceed to Huelva where he will presumably be looked after and may be taken to Berlin. We do not know whether EASTWOOD is falling in with this idea. Certainly prospects are not very inviting. If he is sensible he will return to Eire and face the music.

August 10th

At the D.G.s meeting the question of the internment of women in emergency was raised. There are some 500 and the arrangement was that they should be placed in two camps, one in the north of England and one in the south. They would then be transferred to prisons. Robinson of the H.O. says there will be no accommodation in prisons and wonders whether women are really dangerous. The answer is that women are just as dangerous, and on occasions more so, than men.

Abbott informed the meeting that a committee under the Lord President is considering what defence regulations can be relaxed as soon as an Armistice with Germany is declared. They will also consider further relaxation after peace has been signed. We are apparently to be consulted. I said that I thought that we ought to be careful not to relax restrictions, particularly travel restrictions, too much, otherwise the Japs might think the opportunity favourable for putting in European agents. I did not rate the risk very high but I thought it was a possible one. As a corollary of this point I thought we might be well advised to keep in touch with certain people who had left this office and could be recalled at short notice, to assist in vetting. Undoubtedly as soon as peace was declared there would be large number of people wishing to leave the country and others anxious to visit the UK. We shall almost certainly be asked to vet each one of these cases on its merits and the congestion

will be somewhat similar to 1940 conditions.

Lennox told us that there were future plans for the possible taking of Rhodes and the Dodecanese.

The P.M. has reached Canada safely.

The D.G. has seen Duff about the telegram received from Denham asking what has given rise to his recall and whether he is likely to go back to America. A suitable reply drafted by us has been sent telling him the reasons and saying that his return, although unlikely on present evidence, will be to some extent dependent on the acceptance or otherwise of his report. The HDSE file shows quite clearly that Vivian had a conversation with Berle of the State Dept. on July 19th at which Vivian pointed out the potential difficulties and confusion which may be caused by the setting up in the USA of an independent MI5 liaison as opposed to the MI6 liaison. Mr. Berle replied that that must be a purely British concern and that he found it difficult to give an opinion. He said that he himself had been asked to give his approval to the setting up of this liaison and in view of the fact that it had been asked for by the FBI he had not found himself in a position to raise any objections. This point was emphasised by the DG in his talk with Duff today. Duff is I think coming to the conclusion that Vivian who has accused Denham of fishing in troubled waters, had done a bit of fishing himself.

Hart has seen ZECH-NENNTWICH, the German Waffen-S.S. man and listened to his interrogation by Melland. Z-N has had an extraordinary career. His father was a democrat in the police. He himself was also in the police, and it was in this way that he was recruited into the Waffen-S.S. He was several times wounded on the Russian Front. He is about 26 or 27 years of age. Disgusted with Nazi atrocities, of which he gave a pretty lurid account, he became associated with what he describes as a fairly widespread movement in the S.S. which is opposed to the Nazis and are regarded with special favour by the Army. The idea of this group is to overthrow Hitler and the Nazis, to continue offensive warfare on the Russian front, and to let the British and Americans into Germany. His group have even established contact with certain Polish resistance movements, and it was in connection with certain Polish contacts that he had made that he was imprisoned by the Nazis. His friends got him out of prison by means of false papers and took him to Denmark. From there he succeeded in getting to Stockholm and ultimately to England. He desires if possible to have his liberty in this country and offers his services in trying to help us to exploit the pro-Wehrmacht faction within the S.S.

Henderson is not very keen on going back to Trinidad. He is quite ready to go for a short period in order to give the others the benefit of his experiences here but would not like to feel that he would remain there for the duration. It occurs to me that if Medlam is to

122
be turned out of Gib. Henderson might make a rather suitable DSO since he has an extremely good knowledge of Spanish. He says that his No.2 in Trinidad is quite capable of carrying on and that affairs in the island are running smoothly.

Harry told me that Air Vice Marshal Borrett Force Commander of Alacrity, wanted to see me. He had already seen Paul Mathews who had apparently given him the impression that there was no job for the Security Service to do. I spoke to Arnold Foster and told him what had happened. I also told him my conception of the job. I thought that if Stopford went he should be in charge of the establishment of the necessary liaison with the Portuguese authorities. This was the essence of the whole business. If this was to be done by Paul Mathews there was not any point in Stopford going. Arnold Foster entirely agreed. We discussed the relative merits of Mathews and Stopford but Foster did not think it quite came within his province to decide questions of that kind. I said that I did not wish to run down Mathews who was hardworking and enthusiastic, but at the same time had the commitment been ours I should certainly send out Stopford since he knew Portuguese and the Portuguese police and was a man of far greater experience. Mathews had very little experience was not a particularly sound judge, and could speak only Spanish. I passed my views to Harry saying that I would prefer not to see the Force Commander or discuss with him the relative merits of the two officers. He is going to see Borrett himself.

August 11th

I saw Duff and handed him a copy of my report on S.S. representation in the USA. The report gave the events leading up to the meeting of 30th July; the S.S. point of view; objections raised to separate representation for the SS; and possible solutions. I began by saying that the liaison on C.E. matters had not prospered. The two principle reasons were lack of knowledge about Axis intelligence organisations and experience in CE work in New York, and the other was the action of BSC in running agents in Washington after American came into the war. Our sole object is to improve the established direct channel by placing an opposite number to Hurston in Washington. I criticised the argument put forward by Herbert and Vivian which struck me as being exaggerated, and emphasised the undesirability of antagonising Hoover, who was likely to be head of the only investigating organisation in the USA after the war. As a possible solution which might be acceptable to all parties I suggested the placing of an S.S. liaison officer in the R.C.M.P in Canada with the right to visit the FBI, and the giving to the S.S. in London the right to send representatives to the USA for consultation with the FBI as and when the occasion arose. Duff read the memo and said that he had not understood Herbert to imply that Hoover wished to turn British Intelligence out of the Western Hemisphere. He merely wished to reduce it to impotence.

124

had in fact said in his memo that Hoover before getting rid of Security Co-Ordination wished to establish an alternative channel through M.I.5, and that having done so, he would then proceed to get rid of MI5. This seemed difficult to understand if the argument of Herbert and Vivian that Hoover was dependent on British Intelligence sources was generally accepted. Duff then went on to talk about the D.G.s letter, which had slightly irritated him. He seemed to think the DGs telegram had caused Denham to move too quickly, and that his visit should have been of a more tentative kind. I told Duff that I had not incorporated any mud in my memo because I felt that things had reached a stage where mud-slinging did nobody any good. At the same time I thought that he should know something of the facts about the office of BSC in New York. I said that what had really stuck in my throat was the unstinted praise by C., Vivian and of the efficiency of the New York office. It seemed to me that if an organisation called itself Security Co-ordination, its first consideration should be to co-ordinate its records. This was far from the case, since there were no less than 5 registries, unco-ordinated. The card index system was not good and the files were worse. Likewise, there was little to commend itself in the organisation of the work. everybody seemed to be operating independently and there was no cohesion. I had been able to see this for myself, and I had just first hand evidence from someone who had been given the thankless task of trying to put the registry on proper lines.

She failed to do so because she got no backin
 I had the impression that Duff felt that it
 would be difficult to go back on the decision
 of the last meeting but that his mind was open
 until he had heard what Denham had to say.
 I showed Duff the B.J. between the Jap
 Ambassador and Hitler, and I also told him
 about ZECH-NENNTWICH and about GARBO's
 latest effort in bringing two more Hecke
 planes over Peterhead at the request of the
 Controller.

At the Wednesday meeting it was clear from
 Hart's material that the quality of the Abwehr
information about this country was steadily
 deteriorating. During the past week they
 had reported incorrectly on almost every
 subject. Indications are that the information
 is pure fabrication from start to finish.

Henderson gave us a short talk about Trinidad.

Victor talked to me about Medlam. The diffi-
 culty about getting rid of him is that Mason-
 Mac. might keep him on as his personal ADC.
 This would create an absolutely impossible
 situation. There is also the question of
 the new Admiral who is to take over from
 Collins. Should he or should he not be
 put completely in the picture. His S.O.1 will
 certainly give him a very jaundiced view of
 DSO G.C. This will to be very carefully
 considered.

Mälmo talked to me about ZECH-NENNTWICH.
 Catalogue Reference: KV/4/192 gets to the Files
 there may be political trouble with the Russian

Personally I think the risk is somewhat small but it would obviously be better to get him out of London. The best course would be to get to take him on for a week or 10 days in order to get the full story. We should then be in a better position to know what to do with him. Rawlinson says that the DPW will certainly refuse to take him. Ultimately therefore he will probably have to be introduced as a civilian.

I lunched with Pouverie and Louis Frank, who has just taken over the Low Countries and France in S.O.E. He is evidently looking at everything with a critical eye, and has the impression that much of the SOE organisation on the continent may very well be blown. I told him that we had a somewhat similar impression. In this connection he welcomes Operation Starkey which he thinks will give him a much clearer idea of where he stands. He seemed happy about his relations with us. I told him that SOE equipment had been turning up in Gib. and elsewhere and suggested that it might be of value to his organisation to have this equipment secretly marked. He said that such markings would not necessarily prove anything of a very definite nature since for various reasons canisters have been landed up to half a mile or more from the appointed spot, and naturally fell into the hands of the Germans. He agreed however with me that if canisters dropped in a certain area always seemed to reach the Germans some significance would be attached to this. Frank told me that one of the things he had done was to change the policy of

Catalogue Reference: KV4/192

dropping a high percentage of explosives. He was much more in favour of incendiaries since they did not necessarily indicate an act of sabotage. He had already made a change in this respect. I asked him what he was doing in the way of secret sabotage, e.g. the rejection of good parts of an aeroplane by a widespread organisation. He said that in his view not nearly enough of this work was being done. It had the advantage of being difficult to detect and it clearly slowed up the war effort if done on a sufficiently wide scale. Frank struck me as being very intelligent and thoroughly alive. He is 34 and has had a rapid rise in Montague's where he is the only christian partner.

August 12th

Rothschild and Burt came to see me about Elan Bunbury. Burt thinks it desirable to ease up the police a little, who are suspecting the Irish and the Poles. There is great activity in the eastern counties and I understand that guards at utility undertakings have been doubled. The local press have got the story but do not think it worth while sending to London, as they feel it would not be passed by censorship. We are doing our best to grease the wheels but cannot do this too obviously.

Michael Ryde has sent a telegram about SITTIG, PAASCHE and MASSA, all of whom appear to have transmitted the latter in the Union and the other two in Swaziland and Bechuana-

land. They have been approximately d.f'd but the bearings are not thought to be conclusive. Further bearings are being taken. In the meanwhile Hyde wants to have our advice on the proper course of action and particularly on the question of whether Smuts should be put completely in the picture and also the S. African police. I have suggested to Felix that we should have a meeting. He was inclined to stall this as Maltby had told him that he was satisfied with the bearings. I said this was not really material. We wanted to discuss wider aspects of the case. He then suggested that Philby should come over.

I have had long discussions with Herbert Hart and Milmo about ZECH-NENTWICH, who presents us with a very difficult problem qua internment. As a temporary solution we are sending him to — for a week next Tuesday. He will be out of range of the Poles and will doubtless be able to extract a good deal of information from him, particularly relating to Polish underground movements. We shall then have to let S.C.E. and P.W.E. have a chance. Melland whom I saw today was very impressed by the information he has obtained. One fact emerges of which I was not clear namely that Z-N had contact with the Polish M.A. in Stockholm. We may therefore get a request from the Poles to see Z-N. This would be extremely awkward if it came to the ears of the Russians, who would be highly suspicious if they thought we were encouraging Polish undergrounds movements against Russia.

The D.G. talked to Harry, Harker and myself about Dixon's appointment to a Second Front job. Swinton is prepared to release Dixon. Both the D.G. and Harry are emphatically of the opinion that Dixon should take the appointment. They feel as I do that it would be quite impossible to write off Dick for the rest of the war, and that failing this it would be wrong to put him temporarily into the 1st S.O.L. appointment as a half-time job. I am afraid Dick will be very disappointed but it can't be helped. There is a possibility that he might go out at a later date for a short period after the operation had been launched.

I lunched with Bonnefous, who is very co-operative. He told me how impressed he had been with the LRC. He was full of the importance of C.E. working in close contact with S.R., and S.R. using C.E. as an umbrella. He said it was extremely difficult to impress this on S.R. officials particularly those who had a kind of blind confidence in their agents.

I asked him what part he anticipated that he and his organisation would play in Second Front operations. He said that Pailliol who, of an amalgamation takes place will be at the head of C.E. matters, was preparing two policemen and a C.E. man for each region of France. These people would make contact with certain officer observers whose present present duty it was to take stock of all officials in their area. When the time came they would be able to say precisely what officials could be trusted and which should be thrown out of office or interned. The above only illustrates how

130
necessary it is for these activities to be integrated with those of the I.B. staff and C.C.A.O. It is quite clear to me that the French are not going to accept a kind of colonial government in France and that if we try and impose it upon them we shall get no collaboration.

Bonnefous also told me that Paillol was running agents into Spain from North Africa. I said that if he got any information about sabotage organisations operating from Algeciras and La Linea on Gib. we should be very interested to have it. He said he would notify Paillol whom he thought might be of considerable assistance. He suggested that when writing to S.I.S. we should suggest consultation with him in any matter where we thought records in N. Africa might be of interest. This would ensure that the papers were passed to him and that the necessary enquiries were made.

The D.G. wants to send Aiken-Sneath's report to the H.O. It would I think need a considerable amount of editing before this is done.

The E.O. won't take Aiken-Sneath owing to his wife being a German. I am going to suggest therefore that possibly he might assist Gwyer who is rather over-worked in his research section.

T-R has written an extremely interesting memo on Abwehr incompetence. He points out that in strategic matters the Abwehr record is one of failure. It failed to forecast the attack

on Madegascar, it failed over N. Africa and it also failed over the Casablanca Conference. Since then it has sought eagerly for intelligence about allied plans for a Second Front. It cannot distinguish between the good and the bad, the genuine and the tendencious. It was equally confused about the attack on Scily. While Sicily was thought to be the target, so were many other places. Two agents, one in Melilla and the other in Lisbon, sent a warning about Sicily but they did not reach the Abwehr until after the landings. The result of this has been that reporting routes have been checked up with the object of shortening them. Tactical reporting on the other hand has been bettered, the most important service being the reporting of Gib. shipping movements. In Tunisia valuable tactical intelligence was provided during the successful German attack on Gafsa, but since the destruction of the German army there has been a most notable blank in the Abwehr's intelligence organisation. On the Russian front, Max must be regarded as a success and to some extent Moritz, Ibis and Pasha. Max reports have been singularly accurate in forecasting Russian operations and the theory that it is a Russian XX rather goes by the board. It follows from all this that during the last 9 months incompetence by the Abwehr is only partially mitigated by the tactical successes. A realisation of this has led to the direct supply of immediate operational intelligence to commanders in the field. From being a somewhat shapeless organisation controlled from and routing through Berlin, the Abwehr is becoming a number

of decentralised groups each controlled more and more by the local service commanders. It is clear that the Abwehr, confessedly unable to evaluate and criticised for its official procedure, has either agreed or been forced to resign a large part of its responsibility to the Commands. Considerable changes have been made in the higher ranks of the Abwehr. Pieckenbrock at Abt. I, Gen. Major Oster, head of Administration, Capt. Mensel, Abt. I Marine, Major Brede, head of I. Luft, and Bloch, head of Wirtschaft, have all been removed, with various other subordinates. It would be rash to assume too much from these changes but the cumulative effect is sufficient to suggest that the Abwehr's answer to the charge against the quality of its results has been a purge of its personnel.

August 13th

Victor came to see me about Medlam. He seemed to think that we should make a change now that Admiral Burrows was going to take over from Admiral Collins, since Medlam's relations with the Navy were extremely bad. I said I thought if we contemplated anything of the kind we should be quite clear what we were going to do with Medlam and who was to replace him. Victor thought that Kirby-Green could take over the job and might be reinforced by Skardon. I pointed out the possible danger of the C. in C., who would undoubtedly be extremely annoyed, taking Medlam on to his personal staff. This would be a disaster for us all.

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I had a meeting with Kim, Courtney Young, T-R and Little on S. Africa. It was generally agreed that the bearings on PANSCHE, thought to be in Bechuanaland, and SITTIG, thought to be in Swaziland, were not sufficiently accurate. When further bearings had been taken we thought it desirable that the vans should be used, provided local conditions would allow this to be done without too great a risk of detection. It was decided that if necessary Smuts should be told the night before the raid took place, in case information was obtained leading back to the Union and necessitating action by the Union police. It was decided that we should draft a telegram and then get C. & S.'s approval.

C. came over to see the D.G. about Ryde's position in S. Africa. C. proposed to withdraw and to give Ryde the S.I.C. cyphers. Webster is to be kept generally informed of what Ryde is doing.

C. talked to me afterwards about America. I told him that in my view the situation at the last meeting of the Executive had been very seriously misrepresented. First of all, there was no doubt according to the resolutions of the previous meeting that it had been agreed by all that we were to set up some kind of representation in the USA other than through B.C.C. The D.G.'s telegram therefore did not really amount to more than a row of beans. I think I satisfied him on this point. It was quite clear that he did not know his text, although he persisted in saying that he thought the D.G.'s telegram had rather precipitated

Catalogue Reference: KW/4/192

matters. I then told him that in my view Herbert's opinion was somewhat exaggerated. If it was Hoover's intention to divide us all up and create a channel through the Security Service surely he would not wish to drive us out of the States, after getting rid of BSC. In any case the argument was not consistent with the statement that Hoover was entirely dependent on the British for all his intelligence clues. All we really wanted was a man in the Bureau to complete what is an already existing and active channel. This channel cannot be abolished unless it is proposed to ask Thurston to withdraw. In the present circumstances it looked as if the only alternative was for us to have a man in Canada, or to continue the not altogether satisfactory arrangement of a one-way channel through Thurston. C. seemed to be about as sick of the whole business as I am but he did not have any solution to offer.

He then told me about the American cyphers which were giving him a good deal of trouble. The Germans had already broken into their diplomatic and also into their naval.

Cyril Mills returned from Canada.

August 14th

B.J. s and ISOS, and snow that a report made by Alba based on information received from Solbert, the American M.A., has been passed on verbatim to the Japs and the Abwehr. C. is going to take this up with Gen. Strong C. 2
Catalogue Reference: KV/4/192

With his approval he proposes to send for Solbert and give him a warning.

I had a talk with TAR and Gwyer about the aniline pencil method of communication.

This method is in use by ourselves and by the Germans. There have been two cases of its being used by the latter. The method is to rub an aniline pencil all over a piece of paper, to place this facedown on the piece of paper to be used for secret writing and then to place another piece of paper on top. The message is written on the top piece and is impressed on the bottom piece in aniline, which is not visible and will not react to any reagent. The only method of reproducing the message is by a sensitised paper, since the aniline prevents the light from getting through. Specially selected letters are being submitted to a test with strips of sensitised paper.

I had a long talk with Mills. There is no doubt that he has got on extremely well both with the FBI and RCMP. He was given 16 vols of LEHMITZ and allowed to take any notes he wished. He was also given the new case of ALLECILLA although the arrest had only been effected the day before he left. He was also allowed to see all the officers concerned. He thinks it highly important that we should have someone in Canada as quite apart from the Watchdog case he has had a great deal to do there and is constantly being called into consultation. He has a very poor view of BSC. He told me that while at the FBI with Thurstons

he had been asked by Burton of the Liaison Section whether he knew about young Ramsbotham case. He said quite honestly that he did not and asked what it was about. He was then told that Ramsbotham had got hold of some American friend here and had asked him to let him have a report on certain economic matters in Buffalo to which town he was shortly returning. Thurston broke in and said that Ramsbotham was a very young and somewhat irresponsible officer and that he was quite sure that neither I nor anybody else in authority had had the slightest idea of this case. This was accepted and the matter was dropped. There is no reason to think that it has had any effect on our relations with the FBI. I spoke to Brook Booth about this. He told me he had never heard of the incident.

I gave a lecture to RSLOs at Oxford this afternoon. I went over the old ground and told them about one or two new cases involving a new technique. I then gave them an appreciation of the work of the Abwehr following this up with my own views as to what could be expected of a secret service in time of war. It was possible to get high-grade information in enemy territory in peace time but one was bound to expect that such information would cease on the declaration of war or at any rate a few months later. It would be impossible to work in enemy territory unless one had some extraordinary stroke of luck. It might be possible however to get second-grade information from enemy territory either through neutral channels or through spies dropped by parachute. If I were attempting to lay down a

Catalogue Reference:KV/4/192

useful war organisation I would try and get agents in on a high level in service depts. and foreign offices of neutral countries such as Sweden, Switzerland, Spain, Portugal and Turkey. These offices would be receiving information from enemy territory. I would also try and penetrate neutral embassies in this country. I would get some reflection from their governments as to how the war was going here. Lastly I would concentrate on enemy communications, perhaps the most important line of all. I ended by giving the RSLOs a brief idea of what we were doing at DSO points and on the Second Front.

Victor had been talking to the RSLOs before lunch and had outlined to them Plan Bunbury. He had written a circular letter which he had sent off to all his utility undertakings in which he had drawn attention to the incident at the electricity power station at Bury St. Edmonds. He had said quite definitely that we regarded this as an act of enemy sabotage, and had made some reference to spies being at large. RSLOs felt that the electricity undertakings would undoubtedly take this letter to the C.C. and ask him for his views. The C.C. would then go to the RSLO and ask why it had been thought desirable to communicate the information to utility undertakings which had not been given to the C.C.s. They would want to know whether it was true. Was the RSLO to lie or take the C.C. into his confidence. The general opinion at that stage seemed to be that it might be a wise move to take the C.C. into our confidence if he approached the RSLO, but not otherwise. The

matter however was left in abeyance.

I dined with Walter Bell and had a long talk with him about America.

August 15th

An S.I.S. report shows that according to the Swiss Legation in Bucharest, 65% of the Ploesti refineries were destroyed in the recent raid. The American refinery was not touched. It is causing amusement, and a British raid to destroy American interests is expected.

Pryor of the LRC rang me up about 6 people who had escaped from Guernsey. Should they go to Brixton prison or be served with an order to report to the Police? This once more raises the question of the unsatisfactory arrangements for dealing with British subjects. The same of course applies to friendly aliens. Clearly one does not wish to put loyal British subjects into Brixton prison. There should be some honourable place of detention pending their examination. I eventually decided that provided the preliminary interrogation by the SCO did not arouse suspicion and provided the property did not contain anything which would stamp the individual as suspect, they should be served with an order to report to the police and should be examined through the BID/UK organisation.

Cecil came to see me about the EASTWOOD case. Apparently SIS at Lisbon were employing a Portuguese intermediary who for reasons of indiscretion in some other matter had been

Catalogue Reference:KV/4/192

dismissed. It seems not unlikely that he has gone to the Germans. Another possibility is that has been seen going to Passport Control. In any case the Germans are aware that EASTWOOD is blown and are trying to get him off the ship at Huelva. We do not know whether he is prepared to fall in with their wishes. The ship is due back in 48 hours. Cecil is going over to Dublin.

 who is now in charge of the French P. Sections at Broadway, came to see me with Dick Butler. He was very concerned about the handling of some of his agents both at the port and at the LRC. I gave him the whole history of these cases and I found eventually that he was talking about LELCHAT and DARDIE. I got up the file and read him the correspondence. I said this was typical of other complaints I had received. It was quite evident that the fault did not lie with the LRC but with SIS. who was the link never seemed to be properly informed. I told him of the agreement we had with regard to accredited and unaccredited agents. SIS have never given us an opportunity of talking to accredited agents, and in general the atmosphere was that our sole aim and object was to poke our noses into SIS's affairs. He seemed to think that this was a fairly accurate statement. I said I thought it was deplorable and that the only way of getting things right was for officers in the P. Sections to get to know their opposite numbers at the LRC. They would then see that the work was done well and discreetly and that we were trying to help SIS just as much as ourselves.

I think he was rather surprised to find out the true state of affairs.

I had a talk with Ede about O.C. appointments. Henderson will be wanting a change fairly soon. Luke is apparently to go to British Honduras. I thought this was rather a pity since he had a good deal of D. experience which might be useful on the Second Front. Lastly there was the question of medlam.

Jap B.J. refers to a meeting between Guariglia and Ribbentrop. Guariglia deprecates German intrusion and presses for Italian troops to be returned from the Balkans. I got the impression that the Italians wish to keep the Germans out of Italy as far as possible and then make peace.

August 16th

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

Dick returned from leave.

I had a talk with Victor and TAR about Bunbury. We decided that the best course was to send no letters to C.C.s but to give a line to RSLOs when they were approached.

A fighter-bomber pilot P/W talks of a rocket plane with retractable wings which are withdrawn after the take-off. This plane is said to do 1300 kms. an hour (810 mph).

So far Bunbury has only got publicity in the Ea East Anglian Daily Times.

Bronx has got another £560. Fido has been taken on by B.I.a. The Germans seem satisfied about Meteor. Dragonfly has again been in touch but will close down if funds are not received. Linstick is going to Spain in spite of the warnings he has had from his masters that he may not be able to get a return visa.

I had a meeting with the D.G., Harker, Victor, Iver and TAR about Bunbury. C.C.s are to be told if they approach the RSLOs that the incident is a special exercise. They are to be asked to keep up the deception with the utility undertakings. I am to visit Colin Roberson, C.C. Suffolk, and explain the position. There is to be no publication in the Police Bulletin. The D.G. was rather annoyed about the letter to the utility undertakings being sent out without prior reference to himself. The fact is however that ~~that~~ the normal drill is for a utility undertaking to report to the Central Electricity Board who immediately send teleprinter messages to all their power stations in the country. Moreover if we are out for publicity which we have so far not been able to get, there is bound to be a reproach by C.C.s to RSLOs. The only unfortunate thing about the letter to my mind is that there is something about spies being at large, and it is perhaps a little too positive.

I dined with J.C. and Humphrey Clark. The latter is in charge of the security of all missions to Washington. He has been a member of the Embassy there for the last 6 years.

142
I had a long off the record talk with him about BSC. He clearly knew the whole setup and was well aware of the deficiencies of BSC. I particularly asked him about the high-level information which it is said makes Stephenson such a valuable asset. Clark told me that the Embassy never gave Stephenson any directives and as far as he knew they never received any reports. He thought that if there were any of high political interest he would be bound to see them. I said that there were times when I began to wonder whether in fact they existed at all since if such information was available surely the first person who ought to see them would be the Ambassador. Clark agreed.

Mills told me today that the F.B.I. are undoubtedly out for Stephenson's blood. It is pretty clear that they have got all his telephones if indeed BSC is not miked. They are also running a file. They told Mills that they were convinced that Stephenson was carrying out commercial espionage on behalf of the British Govt. Mills said that he thought this highly improbable. He did however think that Stephenson might be feathering his own nest in commercial circles with an eye to the post-war period.

August 17th

At the Directors Meeting today the D.G. mentioned the D.R.s. They are to be reviewed for cancellation (a) at the cessation of active hostilities in Europe (b) at the cessation
Catalogue Reference:KV/4/192

of active hostilities in other theatres of war (c) at the end of a limited period, say 6-12 months, after (b), (d) at the end of the transition period between war and peace (having regard to economic conditions) (e) measures to be considered for permanent retention. A committee consisting of Harker, Abbott, Barry and Jim Hale are to consider the regulations and submit any controversial ones to the heads of divisions concerned.

A German agent MAYR has been captured in Persia.

Patrick Day goes to Section V. today.

I had a meeting with Horrocks and officers of B.1 about certain cases affecting the B.1 Registry. Horrocks has apparently always taken a fairly wide view of B.1 Registry's charter. He agrees that all cases which have an Abwehr background should be in the B.1 Reg. which should be considered the working tool of B. Division. This means that quite a number of cases, irrespective of those connected with ISOS will in future be dealt with in B.1 Reg. The matter arose over an American case with a European background, in which an ISOS character was mentioned. This character who has a card in the B.1 Reg. would have no reference on this card to the particular case in question since it had been carded in the general registry. Where the Abwehr is concerned we more or less rely on the B.1. Reg. to give us all the traces. Instructions are being issued

Catalogue Reference:KV/4/192

144
to sections about the new arrangement.

Bunbury has now appeared in the Evening Standard in quite a lurid light. Mention was made of investigations by Supt. Burt.

Grogan has suggested that as a deception measure there should be a test of 80% of the letters going to the Peninsula prior to Operation Starkey. When Starkey is over we shall return to normal. This should formally connect our censorship methods with operations. When the Second Front really opens we shall employ the same method.

August 18th

I had a talk with Burt about Bunbury. There is to be publicity in today's press. Burt pretended to get tight in a pub and had leaked to one of his more disreputable contacts. He has now protested to this contact that he has been let down. In the light of this publicity the D.G. has agreed to reverse instructions to RSLOs provided they have not already been approached. Harker subsequently ascertained that the field was clear. RSLOs were told that if the C.C. approached them they were to say that ~~the~~ equipment known to have been used by the enemy was employed and that the matter was still under investigation. If they referred to the letter to utility undertakings they are to be told that this was "toned up" a bit to make the undertakings more security-minded.

At the Wednesday meeting Hart mentioned a Portuguese Catalogue Reference:KV/4/192

-uese known as HANSEN who was coming here for I. Wirtschaft. Dolly PEEKEMA, the separated wife of an official of the Dutch Govt. in London, is also coming here as an agent. She was scheduled to come some time ago but her mission was postponed. She has worked as a German agent in Holland and Spain.

Gwyer has made a very good analysis of Abwehr cover addresses in Lisbon. He shows that out of 135 known spy addresses, one-third have been used for more than one agent. In one case ~~the same address~~ has been used for 9 agents and in another for 6. It does not follow that if an address is used for a communication from here it is not also used for a communication from any other country. Neither is it safe to assume that if an address has been obviously blown it will not be used again or that an address which has produced nothing for 6 months may not suddenly come into operation. The Lisbon Stelle is asked to provide these addresses but does not seem to be particularly interested in checking up on their reliability or informing other stations when they are compromised. In fact this is another typical instance of Abwehr inefficiency.

Frost came to see me about signals security. There is no doubt that Duff should call a meeting of the RSC to decide about the handling of the security of civil wireless. He has in fact been asked to do so by the JIC.

146
I went down to see Colin Robertson with Victor. I explained to him all the various phases of Bunbury and our difficulties. He told me that in spite of this morning's publicity in every paper, not one question had been put to him about Bunbury at a C.C.s meeting he had attended. He expected everybody to come up and say "Now give us the lowdown" about the sabotage at Bury" but not a word. He was I think pleased we had paid him a visit. He was in thorough agreement with the policy of saying nothing to C.C.s and entirely agreed with Burt's view that quite a number of them on receiving the information would hold a mother's meeting. He was quite prepared to face his own superintendent if he ever found out. He explained to me how difficult it would be to get the searchers to find the unexploded bomb. He pretty well had to push their noses right into it before it was discovered. It looked just like a part of the old unused generator.

August 19th

Dick told me about his meeting with C. yesterday. He had to give Webster's opinion of Muggeridge, which C. accepted with good grace. He then rather opened his heart about Webster. Dick told him that it was not the slightest use attacking Webster, particularly since it was perfectly clear that Oliver had based his reports on hearsay. C. then went on to say that Harlech had expressed similar views to Vivian. Dick checked up on this with the D.G. who had made a note in his diary to
Catalogue Reference:KV/4/192

the effect that Harlech had no evidence whatever of indiscretion by Webster but was merely repeating what he had heard other people say. He had made this quite clear to the D.G. Once more Vivian seems to have got the wrong end of the stick and to have caused mischief.

B. then went on to talk about America. He thinks Stephenson's high-level information is valuable and he also said that was thoroughly satisfied with the efficiency of the office. He could not understand misleading him on a point of this sort. How could possibly say such a thing passes my comprehension. Quite clearly he was sucked in by the by the very flap-catching and perfectly useless card index system.

C. told Dick that the difficulty in giving Max material to the Russians was the fact that the Germans were reading the Russian cyphers.

I had a long talk with Marriott, who arrived back from India yesterday. He seems to have done a very good job of work and has quite a high opinion of the majority of the Indian police officers he met. He does not however think much of Pilditch, D.I.B. He has I think finally succeeded in knocking the heads of the military and the police together. The great difficulty is the shortage of manpower and the inadequacy of equipment. There is considerable difficulty in getting a car and still more difficulty in getting an aeroplane.

India is generally a second-class war area and has to wait for everything. The officials are all doing their best, but there is clearly an atmosphere of "Is this or that really worth while if we are going to give the Indians Home Rule". The distribution of food is not good and the situation is aggravated by the fact that Indians would sooner lie down and die of starvation than eat anything that they are not accustomed to. Many of them in fact have died, and we of course get the blame. The Sino-Japanese war is regarded as something of a farce. Nobody believes in great battles or victories, and there are grave doubts whether anything serious is going on at all. The general view is that Chian-Kai-Shek is putting aside his lease-lend material for the war after the war. The only valuable case is the Silver case which will now probably be taken over by the Japs in view of the expulsion of the Germans and Italians from Kabul. The parties of Japanese spies with wireless operators have all been rounded up with the exception of one. Some of the wireless sets are being operated but not with any great success.

Marriott appears to have had a real success with all the people he contacted. Half a dozen of them turned up at the aerodrome at 5 a.m. to see him off. There is no doubt that his visit has promoted good relations but he thinks that what is really needed is that some of the working members of D.I.B. should come over here. The difficulty is that they cannot get away. Some of them have been there as long as 8 years without leave, and see

no prospect of getting any for at least another two years.

When visiting S.B., Langdon was confronted by Foster, Gill and 4 inspectors with the announcement of Plan Bunbury. They said "Whatever your views are about this case, we have come to the conclusion that it is either SOE or Lord Rothschild". I am afraid Langdon did not put up a very good show.

Although he did not commit himself positively I think he left them with very little doubt about the origin of the outrage. Amongst other things he is reported to have told them to keep it to themselves, which is of course a complete admission of guilt.

Tricycle's document prepared by Drew on the disposal of factories has been accepted by the I. Wirtschaft. The Germans are anxious to accelerate Tricycle's return but wish first of all to arrange for the escape of Yugoslav officers among whom they are introducing agents. Tricycle may now have a big organisation including Balloon, the Worm, Velocipede and Meteor, plus a wireless set and operator.

Delatine has been asked to send the latest Army List to a mythical Lt. Col. H.E. Muthbertson at a fly-blown address in Lisbon.

Watchdog is to be liquidated in the middle of a transmission and then sent to England.

Fido has joined the French Air Force.

General Ame, chief of the Italian Intelligence in Rome has asked the Abwehr in Rome to pass the following to its superiors in Berlin: "On the 9th August the German Commander in the north ordered the local Italian commander (a) to give him two more routes into the north of Italy for German troops (b) the right to occupy Italian fortifications in north Italy with German troops (c) to withdraw to southern Italy all Italian troops which have recently entered the north of Italy." The Italian High Command had ordered that forcible attempts by the Germans to implement these demands should be forcibly resisted. Gen. Ame was anxious that the Germans should support the Italians in the south and do all they could to keep Italy in the war. This however was only his private and unofficial view. The above makes it fairly clear I think that the Italians want to keep their country as clear as possible of German troops and then make peace as soon as we land. Whether the Germans will allow them to do this is another matter.

August 20th

I had a talk with Dick and Kellar about source Arthur. This source has been reporting frequently on matters in Syria. It started in November. Each item was sent out piecemeal to Mid East but they were never told that the 9 messages which came into our possession betw
Catalogue Reference:KV/4/192

ween November 1942 and May 1943 all came from the same source. Clearly this makes analysis in Cairo extremely difficult. It was suggested to O'Brien that to get over the difficulty of using a cover name he might give the source a letter. O'Brien replied that there were so many sources that the alphabet was already used up. This was followed by a suggestion that perhaps numbers could be used instead.

Burt has seen Foster and considerably shaken him on the question of the genuineness of Bunbury. Burt gave it as his opinion that it was a true bill.

There has been an interesting development in the HOYSE case. Sir Archibald Rowlands, Permanent Under-Secretary of M.A.P. who was to have given evidence about his conversation with Sir Sir Frank Spriggs who told him that he had given a warning to ARMSTRONG, is now conveniently going to America on important business, and Sir Frank Sprigg, reassured by this fact, is not disposed to assist the prosecution. The matter is not of much importance from the point of view of the case but is interesting as showing the herring-gutted mentality of people like Rowlands.

Burt told me very confidentially that Kendal had rung him up at his home and asked him to do a special job. Kendal did not wish him to say anything about it to anyone. I told Burt that I left the matter entirely to his discretion but that if as I expected the matter had something to do with police corruption, which was now under investigation, I did not wish him

Catalogue Reference:KV/4/192

152
him to do anything that would give the impression that this office was being used as a kind of Gestapo on the police. Burt told me later that he had been asked to cover a meeting which he was confident he could do without being detected. It was connected with a case of corruption. He had learned from Kendal that the state of affairs within the police was extremely bad. Burt was definitely not surprised. He told me that he had known about it for a long time. Chief Inspector Salisbury, Sergt. Noble and several other police officers have been sacked. These were all connected with the STOCKMAN case but were caught out on some other incident.

late

I lunched with Col. Conrad, American Asst. M.A. here, and now B.G.S.I. for the American Army Group under COSSAC. He had with him a Major Carris and two other American officers. Lennox and I gave him as full a picture as possible of our Second Front activities and of our relations with SIS and SOE. I repeated my offer of a course for G.2 officers which was cordially accepted. Conrad said that while he was here in the capacity of a spy, he thought that he had a fair idea of the set-up of the British Intelligence Service, but that having spent 4 years here since the beginning of the war he was in a complete fog. I said that he had my entire sympathy. I am not sure whether he was more or less confused after I had left him. He is a very nice chap and full of goodwill.

I had a talk with Dick about Medlam. After we got him back we might possibly offer him a
Catalogue Reference:KV/4/192

a Second Front job.

I dined with Peter Reid. He would welcome a representative from our office on his committee. He is almost violent about the stupidity in handling intercept material. He thinks that the general caginess of SIS in the control of G C & C S is a menace. They seem to forget, he said, that everybody is aware of the policy of intercepting signals. Even our own operators were being constantly told to guard against it. The thing that matters is not that we are like everyone else doing it but the extent to which we do it.

Cecil has wired to say that Corbally, EASTWOOD, and Adnrews have all been arrested.

August 21st

I saw ADNI and discussed with him Medlam's position. It was agreed (a) to give Medlam a dressing down about his relations with the SOI, and the Admiral, (b) to instruct the Admiral to speak to Pyke-Nott, the SOI, and (c) to put the admiral himself into the picture, and seek his co-operation. Medlam had read Scherr's account of the Coaling Island incident and was satisfied that there was no case against Scherr for not reporting the matter earlier. I said that we would ascertain how far Broomanwhite was getting over the difficulties with SIS and SOE. We were not inclined to entrust their information to Medlam. If this arrangement does not work we shall have to reconsider getting rid of Medlam. Pyke-Nott cannot be removed until a re-organisation in the Mediter-

154
ranean area takes place. This should be in the fairly near future.

Peter Hope has got a reaction from the Asst. Supt. in Newcastle about Bunbury. He has been told to stick to the line given to him for communication to the C.C.

Kesselring has been made C.-in-C. Southern Italy and Rommel has taken over in Northern Italy. The Italians have been told that Germany has used her reserve army in Russia but considers that she has prevented the Russians from conducting a winter offensive. They hold out no prospect of peace with Russia in the near future. The Jap Ambassador in Berlin has had a long conversation with Milch. Milch said that the Luftwaffe was in considerable difficulty as America was sending most of her planes to Europe. Germany's monthly output was 2,700 first-line aircraft but it was hoped through her expansion scheme to double this output in 15 months. American production was estimated at 5,000 per month, England and Canada at 2,00 and USSR at 2,00. These figures were thought to include every type of plane. Clearly I should say the British figures are an underestimate. Between 3-4,000 would be nearer the mark. The efficiency of Soviet planes had according to Milch fallen off. He admitted that our raids on the Ruhr could not be lightly dismissed, and had had a certain effect on production. To meet this Germany was trying to improve her A.A. defences and fighters, but the area was extensive and it was not an easy matter. Considerable damage had been done to the Messerschmidt works at Wiener Neustadt, due
Catalogue Reference:KV/4/192

63

to their having no fighter defence. Production of bombers was not to be given priority at present. Damage to factories was regarded as roughly 10% of Germany's total production. The Jap summarises the position by saying that the German Air Force was obviously very inferior to the Allied, and that Germany had great difficulty in the matter of defence. As no early improvement could be expected, it must be recognised that the conduct of the war for Germany for the time being would be difficult.

August 23rd

I had a talk with Dick and Dixon about the course of I.B and G.2. Major Carris of G.2 has rung up to say that he would like 15 officers to attend and would be glad if we could let him know when the course would open. We have got out the synopsis, and are only waiting for the final arrangement to be made soon as Dixon takes over his job in COSSAC.

Burt and Fish came to see me about the HARRIS case. We have got both HARRIS and his wife in letter check. HARRIS's telephone on the landing of his flat is also covered. We propose to interview Mrs. HARRIS at High Wycombe where she is employed in some NAAFI for American troops. I have asked Courtney Young to try and square this with Malet of the F.O. It is very important that we should take over Catalogue Reference KV/4/192 without any outside interference.

156
Bennet came to see me about Jane's Fighting Ships. He is perturbed about about a censorship report that 12 copies are being sent to Lisbon. He is also worried about ADNI telling him that there had been an ISOS reference indicating that the Abwehr were interested in this publication. He thought he should have been told about it. I told him that I saw no particular object in stopping the 12 copies since although this might irritate the Germans slightly they could quite easily obtain a copy through the Spanish Embassy or through America. Once they had one they could have 500 copies made. I was not very clear about the procedure in this case. NID had the censorship intercept and they also had the ISOS. Surely they could link the two make up their minds. Bennett seemed to think that it was his function to make up their minds for them. If this is only done by getting me to make up his mind for him, it all seems pretty silly.

T-R has written a very good note on the Ma traffic. The present information seems to be that it is valuable to the Germans and accurate. The XX theory has rather faded out. When this service was being run on ISOS, rather tardily we gave the cypher keys to the Russians. Meanwhile Max had gone over to ISK. We have also given the Russians Mirko ROT's report. At least we assume that the SIS man in Moscow has done so, but we have never heard what response he got. The Catalogue Reference K 1/4/1921 we should give them

some sort of resume of the case and feed them out ISK as and when possible. The danger about giving them ISK is that we know that their cyphers are being read by the Germans. To do so therefore might compromise ISK.

I am rather worried about the review of the DRs. It seems to me that this matter has not been given proper consideration by sections of the office who should have views. I have just received a schedule of all the regulations and have been asked to discuss them tomorrow at the D.G.s meeting. I shall have to say that I regard this as a matter of serious importance needing careful consideration.

August 24th

McIver came to see me about an enquiry re Bunbury that Hughes had received from the local SCO. I said that I thought Hughes should tell the SCO exactly what he had told the C.C. otherwise he was putting the SCO vis-a-vis his subordinates in the same difficulty as the C.C. would be placed. This meant a further spreading of the information.

Dick, Ede and I had a conversation about Medlam. It was agreed that Dick should write a letter to Medlam and that Airy, who knows Gib. the Governor and the new Naval C-in-C. should go out with the letter and try and smooth things over. Meanwhile Kirby Green should be ordered back to take his leave.

At the Director's meeting today the D.G. referred to the future cancellation of DRs at specified moments. He proposed to go through the whole schedule at 3 o'clock this afternoon and to allot for further study certain D.R.s to each Division. Jim Dale pointed out that many of these regulations might concern several divisions and that it might be more profitable to get the views of the operative sections before proceeding further. The D.G. said that this could be done after certain regulations had been referred to certain divisions. I pointed out that travel, for instance, although a D. Division function was a matter which vitally concerned B. Division

Lennox talked to us about operations. He thought that Starkey had got somewhat out of hand and that if we did not succeed in drawing the Luftwaffe the Govt. would have a good deal to explain to a public which had been worked up to expect a big Second Front operation this year. At the moment nobody appears to know what has happened in Quebec. There is apparently no explanation at the moment of the withdrawal of Litvinov and Maisky and their succession by two comparative nonentities. I am inclined to think that Russia is not anxious to participate in conversations because (a) we entered this war on a guarantee of the integrity of Poland and (b) we have signed the Atlantic Charter. We know that the Russians intend to violate (a) by re-occupying the Curzon line after the war and that they have no use for the self-determination of small nations where the Baltic States are concerned. These

matters are bound to come up at any conference and would clearly cause embarrassment to all concerned. Russia would therefore prefer to keep her hands entirely free.

Deception regarding Norway is being continued in the name of "Tindall" and regarding Brest in the name of "Wadham". The latter is an American affair. Operations previously contemplated against Rhodes and Greek Islands have been postponed, indefinitely. The next move in Italy will be in the direction of Naples.

I attended the D.G.s meeting on the D.R.s. There did not appear to be any very controversial issues but a certain amount of discussion with the H.O. will be necessary and also with the D.P.P. before we can give a final view on some of the regulations.

The S.I.S. report regarding Stilwell's position in the Far East indicates that the latter is faced (1) with the basic reluctance on the part of the Chinese Govt. to assume the offensive against Japan; (2) the Chinese are inclined to rely upon the USA to defeat Japan; (3) The Chinese desire to conserve material rather than expend it; (4) attempts by Chinese political factions to use him; (5) the absence of a central Chinese authority, whether individual or collective, with whom he can deal; (6) the lack of organisation, political factionalism, incompetence, apathy and corruption in the Chinese Army. In spite of all these difficulties it is thought that by keeping to the straight and narrow path he

Catalogue Reference:KV/4/192

may succeed in overcoming them.

On 17th August Denham telegraphed to say that he was discussing the position in a most friendly way with Stephenson and would report by telegram. He then asked whether he should complete his tour of the Caribbean, when he would report his conclusions both to ourselves and to Stephenson "who presumably will continue to represent MI5 interests in this hemisphere." He could if necessary fly home to give a verbal report after the conclusion of his tour in the Caribbean. He has been told by Duff that no final decision with regard to representation of MI5 in the western hemisphere has been or will be reached pending his return. He has been given permission to complete his tour of the Caribbean before returning, if he considers it desirable.

I had a discussion with Wick, Victor and Miss Clay about the MARITA case. Dick was rather in favour of liquidating the whole business with a prosecution, which he felt would act as deterrent. There are various difficulties to this course; firstly it could not be taken without putting Jack in the box, secondly I am strongly of opinion that it would create a bad impression both with the public and also with the H.O. Although in my view there is nothing to which exception can be taken in war time, I am quite sure that defending counsel would make a great song and dance about the whole case and that we should be dubbed as the Gestapo Dept, but in this matter I should like to be guided by our own legal dept. Quite apart from this aspect of

Catalogue Reference:KV/4/192

the case I cannot see that we stand to gain very much, since the "Marita" organisation in its present form does not really constitute any danger. The information is handed to us and goes into a cul-de-sac. The advantage that we get from the case is that it supplies us with information about people who would if they could do this country harm. When the war is over they will clearly gravitate into right wing circles and some of them at least will probably take part in the formation of some revolutionary right wing organisation. It seems to me therefore that our best policy would be to put in straight agents alongside them who will drift in the same direction in the post-war period and possibly be able to inform us as to what is going on. Provided we do not incur the odium of the public and the H.O. I should not be averse to a prosecution of 3 or 4, but I would still advocate the introduction of straight agents since the case obviously cannot run on its present

lines in peace time. I am quite sure that after the war we shall have a good deal of trouble both from the left and from the right, and somebody should be thinking about putting in agents at the bottom and writing them off for a year or two when they may rise to a position of some importance or to the post of secretary to some important leader. Dick I think has still got a general impression that the case is not of much importance and that we are dealing with a pack of hysterical women. Personally I think there is more to it than that. The basic ideas of the people we are dealing with are Fascist and they are working

162
with the tools of anti-semitism, and anti-communism, both of which may have a considerable appeal. I feel that if we just liquidate this case without putting in some straight against we may be losing an opportunity. It may not be so easy in the post-war period to get into the movement which has already been formed, at any rate it would probably take some time.

August 25th

I saw Rymer Jones, who is going out to do a job in the Palestine Police in conjunction with Saunders. He struck me as a sensible man. Kellar had a long talk with him in my presence about the present set-up in Palestine. There is no doubt that Kellar knows his job well. He rather anticipates the possibility of trouble in Palestine before the end of the war. The Jews are well armed and it is quite on the cards that they might try some sort of coup. This has caused anxiety in Arab circles which are again becoming active. It is difficult to find out what the C.O. policy is. The F.O. on the other hand seem to be tacitly supporting the Pan-Arab movement. Jones also had a word with Victor who told him about the sabotage cases at Haifa.

At the Wednesday meeting today Mrs. Spring mentioned that the agent HANSEN destined for this country is being run by the Wiesbaden Stelle. Joaquim RUIZ, 3rd officer on the "Cabo del Hornas" plying between Spain and S. America, has been pulled in when the ship was searched at Trinidad. A transmitter he was taking to
Catalogue Reference:KV/4/192

B.A. was discovered. RUIZ has been working for the German I.S. since March 1942, chiefly as a courier.

William J. HEAP, the seaman who deserted his ship at Gib. has offered to carry out sabotage for the Germans. They apparently have confidence in him and are trying to make use of him in that capacity.

Licado, previously reported as an interpreter to the British and American Legations in Lisbon but unidentified, has started reporting again. He stopped reporting in May just about the time that Dashwood was visiting our missions in Lisbon. Most of what he says is inaccurate.

The S.D. in the Argentine is making strenuous efforts to obtain information about the UK through various diplomatic channels. They do not appear to be getting anything of importance. The indications are that they try to work through the Chileans and Argentinians.

Milmo mentioned that Perez GARCIA arrived last night at 020. He came by British warship from Panama.

Kellar stated that MAYR, the German spy in Persia, had been arrested with another German agent who had come down by parachute. There are apparently 6 other parachutists at large in Persia.

I discussed with Frost my note to Duff Cooper on signals security. I decided that there was no point in raising the functions of RSS on the Second Front with the RSC until the staff of COSSAC had given their comments.

Attended the D.G.s meeting on the D.R.s. We have now completed our survey. I propose to get Jim Hale to explain the position to representatives of B.Division tomorrow.

Wilson and Mills came to see me about the case of Springbok. His contact in Brazil, WALTHERMATH was arrested in Brazil a month or two ago. The whole story has now been blown in the press both in south and north America, mentioning Springbok's name and his alias. This has caused a certain amount of embarrassment to the RCMP who have told the press that he was working for the British S.S. Meanwhile Springbok has been spirited away from Toronto to Montreal. SIS who were warned a long time ago to make arrangements for his removal are now clamouring to have him sent here. He will of course be a serious source of embarrassment as he is not the kind of fellow wholikes work. He is rather of the Tricycle type. First of all we shall have to know from SIS precisely the terms on which they got him from Brazil to Canada. They have been paying him \$300 a month and they propose to continue these payments. I do not think that we can intern him since he has really done nothing to merit such treatment. If he appealed to the Home Secretary we should have no case. Personally I would much prefer

165

him to remain in Canada if this would not be too embarrassing for the RCMP. It would of course be necessary for SIS to go on paying him. If in deference to Wood's wishes he is to come here we shall presumably have to get him a job and keep him under some sort of supervision.

August 26th

Jim gave an account to certain representatives of B. Division of the tentative decisions made regarding DRS. Milmo emphasised his point about the desirability of embodying 12(5)a in some sort of permanent legislation after the war. Cecil expressed considerable apprehension about the possible relaxation of restrictions on travel to and from Eire which would become a completely open door and stultify the arrival from enemy territory order. We shall have to remember too that at stage (a) there will still be a Jap Legation in Dublin. Apart from these two matters the meeting seemed to be in general agreement with the very provisional arrangements laid down at the D.G.s meeting.

Sclater talked to me about RSS activities on the Second Front. He told me in the strictest confidence that they had 3 M.U.s which had been carrying out exercises under McIntosh. He does not however think that the latter is a suitable person to conduct a search. He also told me that RSS in d.f.ing an alleged beacon near Lincoln had given an area of several hundred square miles in which the search would have to be made. Their methods in d.f.ing conti-

Catalogue Reference:KV/4/192

266

mental stations were improving but they reckon on an error of 1% per hundred miles. This would mean a transmitter could only be located within an area of some 400 sq.miles. He also told me confidentially that he believed RSS were attempting to d.f.certain stations in France which only came up for testing periodically since they are believed to be those which will be left behind in time of invasion. RSS have said nothing to us about this officially. Al' this of course will have to come out when we get down to I.B.planning.

Denham has written a letter to Duff Cooper in confirmation of his telegram in which he states that he is inclined to think that the State Dept. is really the most important dept. with which we have to deal in America and shall have to deal with in the future. He also says that if separate MI5 representation is considered necessary it might be achieved by having an officer in Canada who could visit the FBI whenever he wished.

Denham wired today to say that he thought in the light of conversations with Stephenson he had better come home so that a final decision could be made about our representation in the western hemisphere. He thinks that he ought to go out again to complete his tour of the Caribbean and to put the position clearly before the State Dept. and the FBI.

A Jap B.J. indicates that by the 21st August 15 German divisions had entered North Italy. Some of them have apparently come from the eastern

Catalogue Reference:KV/4/192

front but the majority are from south Germany and France. It seems that whatever arrangements are made about Rome being declared an open city the Germans intend to use the railways through it.

A brief report has been received of the meeting between Tricycle and the SIS representative in Lisbon. According to Tricycle, Jebbsen and Kammler said that if he was not working for the allies he must be a fool. Nevertheless, ISOS shows that whatever Jebbsen's own opinion may be he is still making out to his superiors that Tricycle is a genuine agent. Tricycle is to return as soon as Lisbon receives the seal which has been prepared in Berlin to assist the Germans in forging a Yugoslav bag. Tricycle also reported that there is only one agent in England whom the Germans think good, and his symbol is PBK or PBH. So far this is unexplained. Tricycle has given some useful information about the organisation of Einz Heer in Berlin and certain German code names. He has also given us the real names of Karsthoff and Kammler.

The first four of Meteor's controlled letters have come back from Lisbon as rebuts. Meteor is working as a XXX. The question arises as to whether we should refer to this incident in the uncontrolled traffic.

Watchdog is on his way to this country.

On the 20th August Berlin included details of Bunbury as taken from the British press in the Catalogue Reference:KV/4/192

166
Trans-Ocean news Service to N. America.

Mutt is informing the Germans of the postponement of Plan 'indall.

Brutus has sent a message which has had an encouraging reaction on ISOS. This is the first message seen since his release:

I had a talk with about ZECH-NENTWICH. He is quite convinced of the man's genuineness. He is appalled by the stories of German atrocities in Poland and elsewhere. He feels that these have a very high significance as if we get into Germany we may expect the remnants of the Party to fight like wild beasts. He is getting out a full report which we shall have in a day or two. We shall then have to decide about the disposal of the body. Personally I rather feel that we should not judge German bestiality on the same lines as Russian bestiality. The Russians are a much more primitive and tough people, whereas the German is bestial when he is top dog, but when he begins to feel that he is beaten he is apt to cringe and to become sentimental.

August 27th

I spoke to Milmo about the case of Springbok. He agrees with me that the first thing to do is to get a clear statement of what has happened, the circumstances of his employment, and anything in the nature of an agreement which was reached with him before he was taken on. Milmo thinks that if SPRINGBOK is brought here he should be interned. There is however a Catalogue Reference KY/41192 getting him on to a ship. If the Canadians arrested him it would be open

to them to say that they wished him to be detained in England. It is however rather doubtful whether the Canadians would do this. It seems therefore that _____ will have to be persuaded to come here. Meanwhile Wren is telegraphing frantically, urging his early removal. Milmo is drafting a letter to SIS.

I attended a meeting at the H.O. to discuss the sections of D.R. which deal with W/T. The question of future legislation is a highly technical one but not a matter for our dept. We can only say that during war time we wish every possible precaution maintained to prevent the enemy from receiving information by W/T. Wireless interference through diathermy, neon signs etc. is a different matter but does of course concern the operational activities of the services, while the abolition of the relevant D.R.s is therefore a question for the Services and the Post Office to decide.

After the meeting I saw Duff and discussed with him the question of signals security of allied communications. I also went into the question of the security of non-service transmissions. I said that I thought a meeting should be called of the RSC and that we should have a clear statement of the position. He has agreed to do this. I mentioned to him the question of RSS activities on the Second Front I thought that this was an important matter which should be clearly defined. The most appropriate moment however would be when we had our fellow in position on the I.B. staff. It could then be raised with the matter of I.B. planning. It

Catalogue Reference: KV/4/192

would be up to the I.B. staff to state their requirements to Duff.

We then talked about America, and I showed Duff a note written by Cyril Mills which indicated rather well the kind of liaison that is required with the FBI. Duff read it carefully and said that a possible solution would be to place Mills in the Bureau and give him cover of a similar kind to that of Thurston, namely as a legal or other attache to the British Embassy.

I showed Duff some interesting Jap B.J.s and also talked to him about the case of ZECH-NENTWICH in which he was very interested. I have promised to give him a report as soon as it is done.

I had a talk with Frost. He told me about the job which had been offered to him on the Radio Board. This would be open for about a week. He was turning over in his mind whether he should take it or whether he should wait for a possible job on the Second Front, which he thought would appeal to him. He had in mind the co-ordination of radio security for COSSAC. I said that I thought since RSS would obviously be involved ~~and~~ it might be a pity to carry the war between this dept. and them into the I.B. staff. He did not make much comment: I think probably the best thing is to make it quite clear that the job on the I.B. staff would be of such a low grade and nebulous kind that it would probably not suit him. I have spoken to the D.G. who feels that Frost had better take the job on the Radio Board.

Burt tells me there has been another postponement of the HOYSE case until the 16th October. Apparently there is a tremendous amount of wirepulling going on. I do not think however that in the long run it will do HOYSE any good.

Victor had lunch with the Prof. today. They had a long discussion about Do-Gerät. The Prof. takes the same view as Alan that if cordite is the propellant so much would be required that it is bound to burn up the apparatus. He also thinks that the trials in the Baltic would have been bound to have been the subject of comment by the Swedes. The whole thing looks to him somewhat phoney, particularly the evidence which has been supplied by SIS and P/Ws. Another point is that the nose of the projectiles according to the photographs taken from the air at Peenamunde, is round. The Prof. says that a projectile of this kind which has to travel 150 miles and reach a height of 45 miles, would have to have a pointed nose and be stream-lined if it was going to reach its destination. The point of the rocket is that it has no recoil, but there is any propellant that can get it into the air without burning up the whole apparatus the only way out of the difficulty would be the catapult. This however would not be a solution since a catapult would produce a devastating recoil.

I saw the D.G. today about S. Africa. He now takes the view that the changed conditions mean that there is not really a big enough Catalogue Reference:KV/4/192

job for Webster who has done everything possible on the security front. There is only the intelligence side which includes the SITTIG case. This is being worked out as between Michael Ryde and Muggeridge. He thinks therefore that Webster should be withdrawn and Ryde left to carry on. He has written to C. to this effect. C. I know will give his cordial agreement.

An informant of OSS in Berne has obtained access to 3 messages from Dublin to the Germans relating to GOERTZ. He has also had access to certain other messages the nature of which we do not know at present, relating to communications or activities of Josephine. Presumably these messages have gone by the air route via Stockholm. This is another illustration of the dangers of OSS operating without a full knowledge of "Y" activities which are of course in the hands of G.2. We have ascertained from GC & CS that the mere finding out of 2 or 3 messages would not necessarily compromise B.J. material. This is reassuring since clearly the OSS agent will have to go on expressing interest in any further messages which may be handed to him. The previous incident of this kind related to OSS activities in the Jap Embassy in Rome.

Marcus Heywood tells me that 7 divisions, 3 British and 4 ~~American~~, are coming back here from N. Africa, with all their landing craft, in November. This is apparently a Quebec decision and may indicate that Second Front operations are being pushed on.

August 28th

Burt talked to me today about the job he did for Kendal, which was covering a meeting between a police officer and someone engaged in the racket to obtain exemption from military service. I asked him what success he thought the police would be likely to have in the enquiry that was being made. Rather significantly he said "Very little". "he" this implied that people in charge of the enquiry were ~~also~~ in the racket I do not know Burt is evidently horrified though not surprised that members of the police should be engaging in activities of this sort. He personally has known about Salisbury for years.

The D.G. has written his letter to C. about Webster. Meanwhile Webster has telegraphed a suggested that he might be more usefully employed on the Burma front. This is a happy coincidence.

Harmer has written a note about using blown SOE sets for deception. He points out many difficulties, the principle one being that the concern of the SOE section officer is to extricate his agent from a difficult position. This policy would not be consistent with deception. The result is that they fall between two stools. The deception is unsatisfactory and the agent is generally shot. I have recommended that the use of blown SOE sets for deception should be discontinued and that SOE should work out some plan both with

174

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their agent before he goes and within their own organisation, to ensure that the maximum is done to extricate a controlled agent from his predicament.

At the D.G.s suggestion a note was circulated to the 3 Services and SIS on the work of the LRC with a request that they should express a frank opinion. All the Services have replied in glowing terms saying that they do not wish any relaxation of the work which is proving to be extremely valuable. Vivian on the other hand has thought fit to express the view that there is much meticulous and totally unnecessary work going on which could be eliminated. He suggested that the majority of the cases could be dealt with by the SCO. This comes rather ill from SIS seeing that the bulk of their Purple Primer is built up on the information that is carefully recorded at the LRC. Moreover Vivian's suggestion indicates a lamentable lack of knowledge of the machinery if he thinks that anything in the nature of a satisfactory interrogation can take place at port. The D.G. is sending an appropriate reply.

Victor has shown me a conversation between BOLSON and STOCKMAN. It clearly indicates that the case being investigated against the police is being badly handled. Noble who was sacked, has given a detailed account of the whole incident to STOCKMAN, The police are solely concerned in clearing up their own mess and have Reference KM/192 the Black Market case which will presumably be blown as the result of

their attempts to clear up their own Augean Stable. The D.G. is proposing to take the matter up with Maxwell.

August 29th

Marriott came to talk to me about the proposal for overt censorship of peninsula mails, preparatory to Starkey. I had previously raised the question with TAR about informing the Americans. We are showing a test on 80-100% of the letters for A.V.. This means that all GARBO's cover addresses will be blown. We do not mind this as it will (a) throw the Germans on to the air, (b) worry them quite a lot and (c) give us some idea as to the reliability that they attach to each agent. In this connection if they supply them with a new address and new inks they will obviously be doing so because they think it worth while. There will be an intervening period when little communication will take place but this suits us quite well as we do not wish to have to answer awkward questions when operations are in preparation. The point I raised with TAR was that our action might have a considerable effect on the Americans. First of all some of Garbo's addresses may also be in use in the western hemisphere and secondly if we are blowing the re-agent for A.V. certain of their agents using this ink may be in difficulties. Whatever the effects, the gesture to the Americans is a good one since it shows that we recognise that they have a stake in what we do over here. It may have the effect of bringing it home to them that we are equally

176
likely to have a stake in what they are doing in USA. They have recently blown the Grace BUCHANAN-DINEEN case and in so doing have made it clear that they have been passing information through to the Germans after having it approved by the military and naval authorities. While the possibility of this must be a matter of common knowledge, to the Germans, there is no doubt that the less said about it the better. Had we had someone in the Bureau to impress them with this point of view the incident might not have occurred.

Ronnie Reed tells me that the transmitter known as Phoney which is somewhere in the Baltic and got into touch with the Admiralty wireless station, is developing in quite an interesting way. The indications are however that Phoney is quite an appropriate name. By way of testing out this transmitter we have asked for weather reports and have received a reply that these will be given. The reply came to us en clair. ~~xxx~~ If we do in fact receive weather reports and they are accurate we shall have to think again. The operator has indicated to us that he is known to a certain firm in this country but he may of course just be cashing in on the identity of some P/W.

Felix Cowgill has again distinguished himself by telling Curry that Soviet espionage is not his business. Curry has told him that he joined SIS on the understanding that he worked direct to Col. Vivian and that to try and make

a hard and fast division between Soviet espionage and Soviet subversive activities is pure nonsense. His minute to Gelix was in such terms that it even made a bit uneasy. She advised certain modifications but received the reply that the minute had already gone. Felix has also had a raspberry from herself. He told her that she should not on any account tell MI5 about the Josephine messages and the Goertz messages. Still less should she refer the matter to Denniston without the Chief's approval. She replied that she had already told MI5 and that as regards the chief she was quite capable of looking after her own affairs. Lastly Felix has written an extraordinary letter to Melland about the Purple Primer which Melland had criticised from the military point of view. Felix had replied that these primers were prepared for a variety of customers. He seems however to ignore the fact that the principal customers are the military, who might reasonably be supposed to be interested in having some say in the form of the primer. Some people think that Felix is going off his rocker. He wrote to Dick the other day saying that "now that we knew that the Germans knew that we knew that duff is being used, would it not perhaps be a good thing to tell the censorship. As we told the Censorship more than two years ago there does not seem to be much point in his remarks.

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178
August 30th

According to latest reports U.S.S. are taking about 730 stations. This does not of course imply that the traffic is all being dealt with.

We have got Cimperman to wire the FBI about the blowing of the reagent to A.V. and the blowing of Garbo's addresses. The fact is that certain of Garbo's letters have already reacted to the methelyne blue test. This is probably due to the fact that he is using too strong a solution, and that he uses a pen instead of the match-stick covered with cotton-wool. This test has been going on since the 19th of this month. We are letting one letter through with a slight indication which might have passed the eye of the censor that the letter contains secret writing. This may get us out of the difficulty of using tetra-base if the Americans do not want to blow this reagent. Tommy Harris thinks that whatever test we apply we ought to go on the assumption that certain of Garbo's letters have been read and to continue the test at any rate until the ink and cover address are changed. Whatever happens I am sure that we are right in making the gesture of consulting the Americans in a matter of this kind since it is only in this way that we shall get them to understand that what happens in one hemisphere may well be important to investigating agencies in another.

We have had further meetings on the relaxation of control of travel at Stages A and B. Abbott has prepared a paper for discussion with the H O. which strikes me as being singularly inadequate. I have asked sections to let me have their views.

I saw Maxwell today about TATE, who is not from the technical point of view lawfully detained. He has papers as a British subject but we hold an order under 18B which was intended for time of invasion but which has never been served. Maxwell suggests that we should keep the order in case we might want to serve it any time.

I went in afterwards to see Newsam. I explained to him the developments in Plan Bunbury. He told me that Miss Nunn had been appointed to fill the position in the H.O. as expert in MI5 matters. She will be assisted by Mrs. Robinson who has worked for some time on the Birkett Committee. This seems to me quite satisfactory at any rate as a beginning.

Milmo tells me that a German called HAFFNER has deserted from Spain where he was operating one of the Bodden units. The idea is to get him over here as soon as possible for interrogation. His information should prove extremely valuable and provide us with a stick with which to beat the Spaniards.

Marcus Heywood tells me that we are to land on the toe of Italy at Calabria and possibly other spots. This is being done with the knowledge and approval of the Italians. Kuh's