

LOBSTER

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Crozier, Goldsmith and the Pinsky Circle
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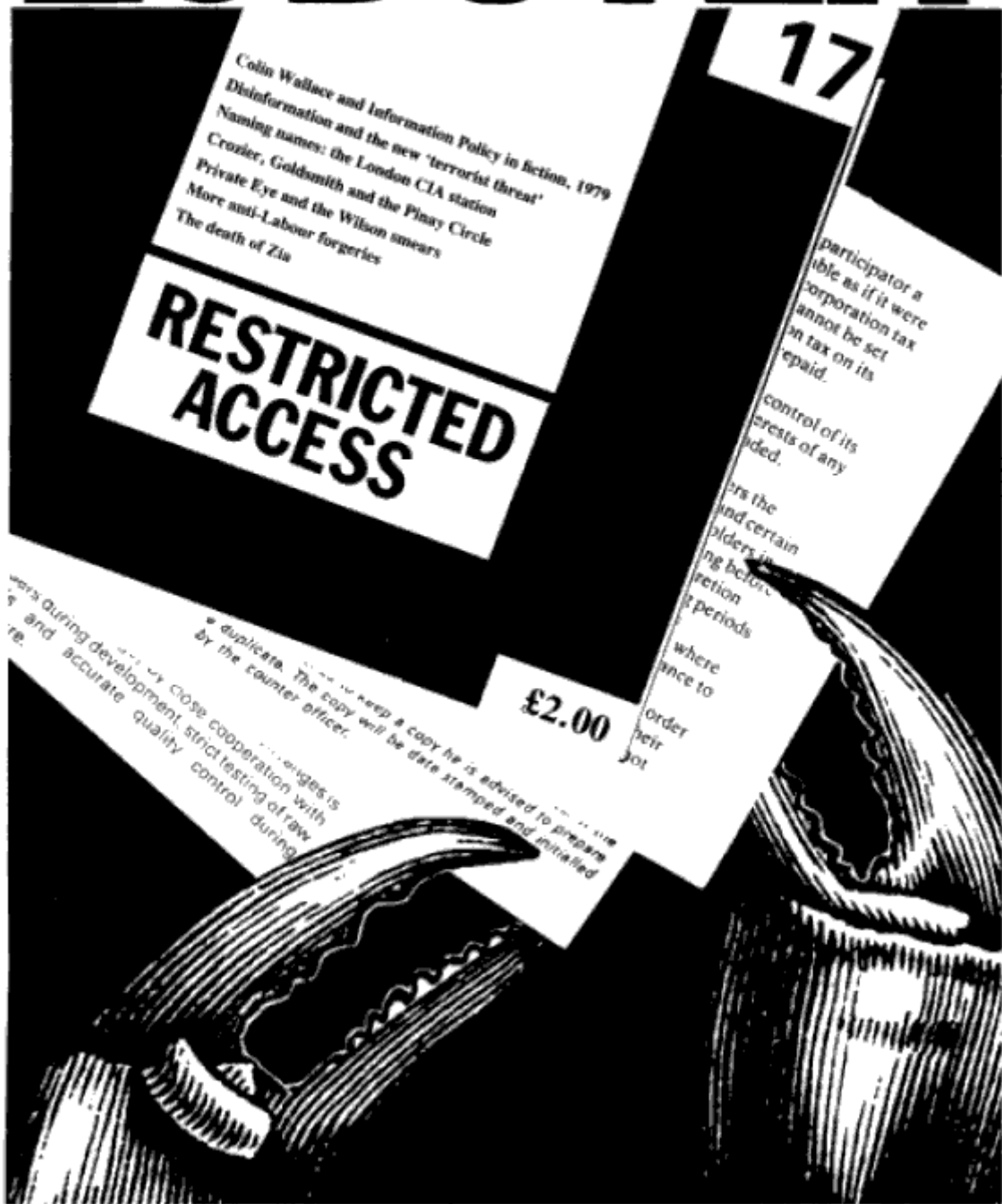
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Five at Eye

Steve Dorril

Last year the *Guardian* newspaper revealed that *Private Eye* 'may have been used to smear Wilson'. The former editor, Richard Ingrams, told reporters:

"Looking back on it, it's obvious that the *Eye* could have been used by MI5, but it's hard to be concrete."

It's hard to be concrete because nobody bothered to look at what *Private Eye* did produce in the crucial years 1974-76. Having now read the entire *Eye* output of the seventies, it is clear the *Eye* was a major outlet for the MI5 material (1)

As we showed in previous *Lobsters* a mouthpiece for this material on the *Eye* was Auberon Waugh. Waugh's tiresome response has been to deny all knowledge of MI5/6 involvement and claim that his column was just guesswork and speculation. The material is far too numerous to be an example of public schoolboy jolly japes.

Although no evidence has been produced which directly links Waugh to the Intelligence services, the circumstantial evidence is highly suggestive. He has written, "Perhaps I should explain that I tried to join the Foreign Service soon after coming down from Oxford in 1960 and was firmly rebuffed, despite a recommendation from Sir Roger Hollis, of the rival Security Service, MI5." (2) Waugh was close to the Hollis family. Roger's brother Christopher was a godfather to Waugh and the two lunched together. (3)

Waugh perhaps means MI6 when he refers to the Foreign Service. This makes sense as his uncle, Alec Waugh the author, had worked for MI6. Another relative Auberon Herbert had worked in intelligence in the Middle East. His father, Evelyn Waugh, had knowledge of intelligence during the war and the family moved in intelligence circles which included Tom Driberg, a regular informant to the *Eye* (and MI5) and Roger Fulford, an ex-colleague of Hollis. Waugh's first job on the Editorial Staff of the *Daily Telegraph* is rather like an internal posting for MI6. (4)

Waugh's closest colleague on the *Eye* was the Grovel contributor, Patrick Marnham. According to another ex-colleague, Peter McKay, "Driberg was a homosexual, and at the *Eye* he nursed an unrequited passion for Patrick Marnham."(5)

The first indication that the *Eye* may have been used appeared in the official history of the *Eye* written by Marnham. He wrote that

"(Wilson's) ... return as Prime Minister in March 1974 was followed by a barrage of anonymous information concerning his activities since the 1940s. Where this came from was never discovered, but it was extremely detailed and convincing, and as much of it as could be checked proved generally reliable. In retrospect, and in the light of Wilson's belief that his own office was at the time being bugged by MI5, it seems likely to have been supplied by someone with connections to the security service".

Although Marnham couldn't be sure that the original source of the material was MI5, he did, in fact, know the identity of the supplier. In his book on Lord Lucan, 'Trail of Havoc', published in 1987, he wrote: "The first of the Secret Service information packs to reach *Private Eye* had come by the way of *The Times* in 1974. A reporter on the paper had started to check the allegations, established that they were plausible but then decided that the story would be better handled by *Private Eye*".

The Times in the 1974-76 period featured many articles on aspects of what we now know as the MI5 plots. Christopher Walker, later the paper's correspondent in Moscow, wrote well informed articles on intelligence affairs and Christopher Sweeny, now working in Australia, did the first major feature on the Czech intelligence defector Josef Frolik. Marnham has not revealed, as far as I am aware, the identity of *The Times* journalist who gave him the MI5 packs.

Marnham's book reprinted three extracts from the alleged MI5 documents. As can be seen, the amount of detail they contain certainly suggests some kind of official agency as being the most likely culprit. These were not the normal anonymous note. Their construction and the use of an old typewriter is very reminiscent of similar documents Colin Wallace was putting together in Northern Ireland, on behalf of Information Policy, as part of Clockwork Orange. There is the same blend of known facts, intriguing new information, and the subtle insertion of 'black' material. All of which is held together, or given a 'spin', by the addition of a 'theme'.

The theme, according to Marnham, was as follows:

"The period covered was immediately after the war, when the country was going through a severe economic depression. At the time the United Kingdom suffered from a shortage of foreign currency and manufacturing resources. The few people who could get permission to import heavily rationed raw materials or finished goods were almost bound to be millionaires. The necessary licences were issued by the Board of Trade, and from October 1947 to March 1951 that person was Harold Wilson. It was during his term of office that Wilson first met several of the men who were later to support, and to benefit from, his political career".

Another journalist at the *Eye*, Martin Tomkinson, recognised this theme and where it

was leading. Tomkinson told the *Guardian*: "he had a security service contact who 'hinted that Wilson was far too interested in promoting Anglo-Soviet trade.' " (6)

The men who were to benefit were all what were known as 'East-West Traders'. The clear aim of the documents was to tie Wilson to these East-West Traders with the implication that they co-operated too closely with the Soviet Block. "As we sorted through this material, we were directed back over the years to the Groundnut Scheme, the Lynskey Tribunal, the export to Russia of top-secret Rolls Royce engines, the Leipzig Trade Fair and the opening of the Soviet Trade delegation in London - after a quarry whose name changed on every page. Was it the KGB?" (7) Indeed it was. The East-West Traders were considered to be too close to the Soviet Union and were seen as little more than 'fellow travellers'. Some were looked on by MI5 as being under the control of the KGB. The prime suspects were Sir Rudy Sternberg, Lord Plurenden, who died in 1978, and Lady Beattie Plummer. It was believed that Sternberg used his import and export business with the Eastern block as a cover for intelligence activities. He probably did, but not for the KGB, an idea MI5 wished to promote. Wilson was to discover later that Sternberg was, "One of ours", meaning MI6. A not uncommon practice among East-West Traders.

Notes

Having tantalised us with the revelation that he was in receipt of the MI5 documents, Marnham then suggests that they weren't used. "Some of the documents they released reached *Private Eye*, but that paper's investigations ground to a halt for lack of corroborative evidence. The paper is frequently accused of failing to check its stories, here was a case where the failure of its inquiries caused it to keep silent." It's not true to say that the *Eye* stayed silent. With only one exception all the stories which Marnham outlined appeared at some stage in the pages of the *Eye*. They never went as far as MI5 might have hoped but the gradual drip, drip of the material had its cumulative effect on the Wilson administration. It was left to others, Chapman Pincher and Richard Deacon, to produce the full blown smears.

1. *Guardian* 15/8/87. This collection of material should not be assumed to be comprehensive. While Wilson and co. were the major targets, Edward Heath, Maurice Oldfield and Jeremy Thorpe were also victims.
2. *Independent* 16/5/87
3. *Spectator* 22/10/88. It is surprising that no one has yet written a biography of Roger Hollis. When they do the role of his brother will have to be taken into account. Christopher was a supporter of the British Union of Fascists and frequent contributor to *Action* (See *Comrade* No.13 1988). He was also involved with Kenneth de Courcy and his publishers *World Review*. Either Christopher was genuine in his far-right views or was an MI5 mole acting for his brother.
4. When in the mid-seventies the *Washington Post* referred to London newspapers as being flooded with Intelligence assets it was pointing the finger at the *Daily Telegraph*.
5. Pages 18-19, 'Inside *Private Eye*' Peter McKay (Fourth Estate 1986).

6. *Guardian* 15/5/87

7. The full details of these various episodes, which are essential for a full understanding of the Wilson plots, will be revealed in a forthcoming *Lobster* book. It is worth noting that:
 - a. The failure of the Groundnut Scheme was used as the basis of a smear campaign in 1951. Those tarnished included the former Communist John Strachey and his close friend Leslie Plummer, an East-West Trader. The scientific adviser to the scheme, and at the time a financial supporter of the *Tribune*, was Victor Rothschild. Attempts were made to raise the issue during the 1964 election, but Wilson, who had a very tenuous link to the scheme through the timber merchant Montague Meyer, quickly stamped on the smear.
8. The Lynskey Tribunal concerned corruption in the Board of Trade and provided an opportunity to smear Wilson who, in fact, had acted completely honourably. Over the years there have been veiled references in gossip to Wilson but no substantial published material, though there were some peculiar letters from a Wilson enemy Hartley Shawcross. What the Tribunal did reveal was the involvement of the newly created Foreign Office propaganda unit, IRD, within the Labour movement.
9. There was considerable press interest in 1962 in the East-West Traders who went to the Leipzig Trade Fair. Questions were asked in the House of Commons and much was made of their close relationship to the, then, unrecognised East German government.

Spectator February 14 1976

NOTEBOOK

While left-wing journals - doubtless innocently - have been helping assassination squads to identify CIA agents throughout the world, attention has been diverted from what the other side are up to over here. In fact, just four years and five months after the Conservative Government expelled 105 Soviet KGB and GRU (military intelligence) officers from Britain, the Russian spy network is back at full strength. There are nearly 200 Soviet-controlled spies known to be operating in this country. Many enjoy a tenuous 'cover' as trade delegates, journalists, marine specialists, tourist office spokesmen, or even bank officials. But the hard corps, who are known to Sir Michael Hanley, the Director-General of MI5, as the 'Red Army' are based at the London Embassies of the Soviet Union and her satellites. The KGB's British headquarters is at the Soviet Embassy in Kensington Palace Gardens. The consular section nearby is staffed exclusively by KGB men, and others are to be found at the Soviet trade delegation offices in Highgate.

British officials take a particular interest in a number of names, such as counsellor Vladimir Kotliar and the two deputy trade representatives, Vladimir Pavlov and

Valentin Matitson. Ten of the Soviet embassy's eighteen second and third secretaries and attaches are also KGB officers. The six assistant Service attaches are all members of the GRU, the intelligence directorate of the Soviet General Staff. The once flourishing spy centre at the Czechoslovak embassy in London is no longer totally trusted by the KGB, but the military and air attaches there, one Colonel Miroslav Merhaut and Major Gustav Opremcak, are still being very helpful.

The East German espionage service, which is controlled by a former Gestapo officer, is assisted by Gunter Wille, first secretary for consular affairs, Hans Nobel, the Commercial Counsellor, and Roland Haufe, a commercial attache.

Hungary's military and air attache in London, Lieutenant-Colonel Karoly Meszaros, submits regular reports to his military masters in Budapest. They, in turn, are controlled by locally based staff officers of the GRU.

One could go on about the Polish and Rumanian embassies, but the most interesting KGB recruits are perhaps the Cuban diplomats. Castro's 'intelligence service' was handed over to the Soviet espionage machine in the summer of 1966. And it was the KGB's best buy for years. Cubans in London and Paris have helped run arms shipments to the IRA - and supplied passports to Palestinian guerrilla factions. Its seventeen diplomats are under constant surveillance.

It wasn't only in the *Eye* that dubious material appeared in the 1974-76 period. Auberon Waugh wrote in 1978, that only the *Spectator* and *Private Eye* would be 'prepared to print the full story of "counter-espionage" in our time'. The *Spectator*, in which Waugh had a column, published this astonishing Notebook piece. There is only one source for material of this kind.

In 1971 the British expelled 105 Soviet diplomats. According to Chapman Pincher, "The KGB's reaction was swift and predictable.... it concentrated on increasing its efforts through the satellite agencies, the Czechs in particular."

In 1974, "The Czech situation was drawn to Heath's attention by Julian Amery, who told him that MI5 had proof of the blatant abuse of diplomatic privilege by thirteen 'diplomats' including the ambassador, but Heath decided against any public use of it." It had been intended to use the publicity during the 1974 election campaign. The idea appears to have been to link the spying activities to the rise in industrial action including the Miners strike - Gold from Prague and Communist influence. But Heath, according to Pincher, was so confident of victory that the idea was dropped. Something along similar lines did appear in *The Times* just before the election, 'CIA men in Britain checking on Subversion'. A week later the *Times* carried an exclusive interview with the Czech defector Frolik who talked about infiltration of the Labour Movement by Soviet Bloc intelligence.

Pincher again, "News of the Czech treachery and the thirteen expulsions did not leak out until after the Tory defeat." And leak they did. The *Eye* reported (6/9/74): "The cloak and dagger atmosphere which has been hanging around the Czech embassy in London may be ending. In recent months 9 Czech diplomats (?) have suddenly returned home. Now the

Ambassador himself, Dr Miroslav Zemla, will bring the total to 10, though his departure will not be undignified and he observed the usual diplomatic protocol by giving his goodbye party at the Embassy last week." There followed a number of detailed snippets on the activities of the Czech Embassy - See 20/9/74 and 16/5/75.

The theme behind the leaking was that Wilson and the Foreign Secretary, Callaghan, were weak on Soviet spying and that they were constrained by the Party's extreme left wing (See Pincher 'Their Trade is Treachery' Page 233). It was also because Wilson was too close to the Soviets. *Private Eye* revealed (28/11/75) in a piece on another KGB spy case that a deal had been struck "in order to prevent lurid espionage cases that might spoil relations between the Brezhnev and Wilson regimes." Two months later appeared the *Spectator* article.

Private Eye

10/1/75

Looked at from one angle Sir Rudy's peerage is an agreeable completion of a circle of Wislon's old friendships.

Sir Leslie Plummer, Labour MP for Deptford who died in 1963 before Wislon could make him Foreign Secretary as promised, was an old friend of Sternberg's. Plummer had run the disastrous Ground Nuts scheme for the Attlee government, and his wife "Beattie" (a close friend of Marcia Williams) used to work for Sternberg. After her husband's death Wislon duly made "Beattie" a life peeress. She too is now dead, but touchingly her former employer succeeds her in the Lords.

The *Daily Telegraph* also noted that Sternberg "has devoted much energy to trade with countries behind the Iron Curtain, particularly in East Germany. In the 50s and 60s he was in the limelight for enlisting the support of MPs of both major parties".

Among these MPs were Burnaby Drayson who has been Tory member for Skipton, Yorks, since 1945, is Ian Mikardo's pair and chairman of the Parliamentary All Party East-West Trade Committee. Brig. Terence Clarke, former Tory MP for Portsmouth West, and Will Owen, the Labour MP for Morpeth who resigned in 1970 when he was tried and acquitted of spying, were also among Sternberg's supporters.

Sternberg has also used his East European contacts to help Wislon's political visits to Romania, Bulgaria and Czechoslovakia. He set up Wislon's visit to Prague in 1973 which resulted in the release of the clergyman suspected of smuggling, the improbable Rev. David Hathaway (see *Eye* 297)

Private Eye

18/10/74

Even by the low profile standards of other big business backers of the Labour Party, Sigmund Sternberg - reputed donor of £25,000 a year ago towards the

Wislon Think Tank - is little known.

This may not be altogether surprising as what is known suggests there may be little to enamour him to staunch Socialists - apart from his wallet.

Sternberg - like Wislon's ennobled business friends Sir 'Gannex' Kagan, Lord Harry Kissin of commodity merchants Guinness, Peat, Sir Rudi Sternberg of the Sterling chemical group and John Mayer C.B.E. of timber merchants Montague L. Meyer - is from a middle-European Jewish background with some little knowledge of trading with Eastern Europe. Wislon gained much knowledge of these matters and the regulations and import licences concerned while President of the Board of Trade 1947-51, and later as a consultant to Meyers.

Spectator

22/4/78

But it needs administrative cooperation, of course, to allow officers of the Security Service to give evidence, and everything points to the conclusion that successive British governments have tended to use MI5 less for the protection of the realm against espionage and subversion than, through its public school tradition of *omerta*, as a means of covering up its own lapses. Perhaps one day we will learn the true history of the counter-espionage effort under Harold Wilson, and why the only MP or senior official they ever chose - or were allowed - to arrest was poor old Will Owen, who later turned out to be innocent. Owen, it will be remembered, was on the pay roll of the Dominion Export Trust run by Sir Rudi Sternberg (later Lord Plurenden), organiser of the Leipzig group of MPs and paymaster of many interesting people besides. On this occasion the Security Services appear to have arrested the wrong man and he was the only person of any public importance they chose - or were allowed - to prosecute.

Private Eye never went as far as naming Sternberg or Plummer as a KGB agent. The libel laws would have prevented any such smear. But following Sternberg's death in 1978, Richard Deacon (Donald McCormick) had no such qualms in his book *The British Connection* - which was later withdrawn. Deacon, who has always been very sympathetic towards MI5, wrote: "One of the most notorious of post-war fellow travellers was Rudi Sternberg....behind much East-West traffic at this time was the sinister figure of Rudi Sternberg....Some leakages of information were traced to Sir Rudi....."(Pages 237-9)

Was there any truth to any of this? According to Marcia Falkender, Wilson made enquiries about Sternberg (Wilson was not a friend of Sternberg): "The result was that far from being a spy, Sternberg was using his Iron Curtain contacts in a way that was helpful to Western Intelligence". (Page 255 *Inside Story* Chapman Pincher). Was he just helpful or did he work for MI6? The East-West Traders had been infiltrated by both Intelligence Services since the fifties, as the memoirs of Greville Wynne, John Stonehouse and Commander Courtney - all traders - make plain.

Private Eye

17/9/76

According to an Italian magazine, two English politicians were friendly with the Lockheed company which has proved so generous in its donations to statesmen in Holland, Italy, Japan and West Germany.

The Englishmen, both renowned former Labour Cabinet Ministers, were given the pseudonyms 'Pointer' and 'Powder'.

It would not be fair to reveal, as the Italian magazine did, the true identities of silver-tongued, emotional and excitable 'Pointer' or of pragmatic frank, sincere 'Powder'.

YY SAF RSE

10 JUN 1976

2163:CODE:

ROME, JUNE 10, REUTER -- THE NAMES OF FORMER FRENCH PRESIDENT GEORGES POMPIDOU, FORMER BRITISH PRIME MINISTER HAROLD WILSON AND FORMER WEST GERMAN CHANCELLOR LUDWIG ERHARD ALL FIGURE IN A CODE BOOK USED BY THE LOCKHEED AIRCRAFT CORPORATION, ACCORDING TO THE POLITICAL ITALIAN WEEKLY PANORAMA.

TODAY'S ISSUE OF THE MAGAZINE REPRODUCES LARGE PARTS OF THE CODE BOOK, PHOTOCOPIES OF WHICH, PANORAMA SAID, WERE OBTAINED ON JUNE 4 FROM A DISSATISFIED LOCKHEED EMPLOYEE.

THE CODE REPRODUCED BY THE MAGAZINE LISTS M POMPIDOU AS COSMOS, MR WILSON AS POINTER, AND HERR ERHARD AS HALIBUT FORMER BRITISH FOREIGN MINISTER GEORGE BROWN FIGURES AS POWDER.

On 10th June 1976, not long after Wilson's resignation, this intriguing telex rattled out of the Reuter news service. Although it landed on the desks of all the major papers not one of them published the merest hint of its contents. No doubt the libel laws had an effect. Others, correctly, thought it was a fake, but who did the faking?

Earlier in 1976 Wilson had sent a secret letter to the CIA with a list of questions. One of

them related to the Lockheed scandal and the possibility of British politicians being involved. The CIA replied that, "while inquiries to date had suggested that no one was bribed, there was a possibility that 'something went on'. " (p20 *Inside Story*)

The only reference appeared in an obscure magazine, *Verdict* No.6 Oct. 1976, which published a page from the codebook.

None of the material in this article need necessarily have come from the security service, though its theme - East-West Traders - is too close to the Marnham notes to be a mere coincidence. Cleverly, all the traders are linked back to Wilson. Guilt by association.

Ian Mikardo had long been a target of both the Labour Party right-wing and MI5. It is believed that Mikardo, a member of the National Executive, was one of those on the list of fifteen MPs and candidates given to MI5, in 1961, by George Brown and Hugh Gaitskell for investigation as crypto-communists.

Mikardo had been a member of Keep Left and a leading Bevanite in the fifties. More importantly, he was an executive member of the left-wing group Victory for Socialism which campaigned amongst the rank-and-file in the Party. It was the VFS which the Gaitskellites saw as the real threat and the base for fellow-travellers in the party. Jo Richardson was the secretary to both the Bevanites and the VFS.

Private Eye 5/4/74

Politics

Chairman Mick

It is not only Labour cabinet ministers who have interesting business connections. The newly-elected Chairman of the Parliamentary Labour Party, Ian Mikardo, is no slouch when it comes to lining his pockets.

Mikardo reached his new eminence ("a triumph of the left", *Times* 22nd March) after a dodgy election. The rules were changed at the last minute to allow him to win on first ballot. This change of rules was personally approved by Harold Wilson, who has not lost any of his old ability to distinguish which side his bread is buttered.



So far from being a simple Socialist politician, Ian Mikardo is an extremely wealthy man who has acquired his fortune largely through his parliamentary connections. Ian Mikardo Ltd was founded by the newly arrived member for Reading in 1946 as "agents for overseas exporters". It specialised in trade with East Germany. Mikardo was, and still is, a 2 1/2% commission man who provides British exporters with the essential introductions to the Communist state purchasing

departments. Ian Mikardo Ltd was one of the earliest recognised channels to the East German market, and at one time he had a near monopoly of the business.

The point of Anglo-East German trade from the German point of view was political. The East Germans wanted a lobby in Western business circles and particularly in parliamentary business circles. Mikardo was the ideal man to introduce such customers from the United Kingdom, and in the event British MPs proved to be among the most seduceable. After the 1962 Leipzig Trade Fair, government concern about MPs abuse of their parliamentary status in this area became so great that a parliamentary warning was issued by Edward Heath, then Lord Privy Seal. But Ian Mikardo Ltd soldiered on its lucrative course. It is a £300 private company with three director-shareholders, but in April 1971 (the last available return) despite having a pre-tax profit of only £400 it managed to pay directors' emoluments of £16,300 - up from £9,350. The directors are Ian Mikardo, his wife Mary, and Miss Jo Richardson, the newly elected Labour MP for Barking.

Jo Richardson has been a business/ political associate of Mikardo's for years. She describes herself as an "export manager" (she recently returned from Sofia) and she also is a long-standing member of the *Tribune* group.

The fact that Ian Mikardo Ltd was founded in 1946, in the early days of the Labour government, is of coincidental interest. For this was the period when a number of other businessmen who are friends of Harold Wilson got their start in life. (Wilson was President of the Board of Trade from 1947 to 1951). The similarities between the careers of some of these men were pointed out in *Socialist Worker* (30/3/74). Like Mikardo, they are all East European Jewish immigrants who started up in trade with the Iron Curtain countries between 1947 and 1951. There is Harry Kissin, a millionaire commodity broker, chairman of the Guinness Peat Group; Sigmund Sternberg, chairman of the Mountstar Metal Corporation; Sir Joseph Kagan (knighted by Wilson in 1970), chairman of Gannex Textiles Ltd; and Montague Meyer, the timber merchant who later employed Wilson for eight years as his parliamentary specialist in East-West trade. There is also Eric Miller, chairman of the Peachey Property Corporation (see *Eye* 294) who once employed Reginald Maudling's wandering boy, Martin, and who lent Wilson his helicopter during the election campaign. And there is Sir Frank Schon, former chairman and co-founder of Marchon Products Ltd and Solway Chemicals Ltd, which secured valuable East European trading contracts during the immediate post-war years. Wilson knighted Sir Frank in 1966, and later made him chairman of the National Research Development Corporation.

Harold Wilson, Ian Mikardo and Jo Richardson are not the only "Labour left-wingers" to specialise in the import-export trade. There is also Arthur Latham MP (Tribune group), the tortured conscience of Paddington North; and there is Arthur Lewis MP (West Ham), the hammer of Scotland Yard, whose import-export company Arthur W.J. Lewis Ltd is active in East-West trade.

PS (Harold Wilson thinks of the member for Poplar so often that he once spelt the Gilbert & Sullivan opera MIKARDO throughout a review he wrote for the *Evening Standard*).

One of the MI5 typed sheets which was passed on to Patrick Marnham (below). The missing name is Douglas Jay. Someone, presumably Marnham, blanked out his name. Why Jay, who was on the right of the party and didn't like Wilson, should be included is a mystery.

During the war J. H. Wilson, an Oxford PEP graduate, was reserved to work at the Ministry of Works and, in 1943, was made Director of Economics and Statistics at the Ministry of Fuel & Power. In the same year <blank> became Principal Assistant Secretary at the <blank>

On becoming a MP in 1945 Wilson was appointed Parly. Secy. to the Minister of Works whilst <blank> became <blank> to Attlee. In March 1947 Wilson was made Secretary for Overseas Trade; <blank> became <blank> Secretary to the <blank> where he continued until, in Attlee's second government he became <blank> to the <blank>; meanwhile, in October 1947, Wilson had become President of the Board of Trade, a post he retained until March 1951 when he handed over to Shawcross, who held it until the Attlee government fell six months later. Thus Wilson and <blank> served concurrently for four years or more at the BOT and the <blank> respectively.

There is, of course, more to that seemingly innocent coincidence. Although much older than Wilson, <blank>, too, was an Oxford socialist, an anti-European, and a member of Labour's <blank> set.

For four years Wilson had ultimate responsibility for all decisions affecting Britain's overseas trade whilst <blank> had almost ultimate responsibility and was certainly in the critical position in the <blank> that might support the <blank>, and vice-versa.

[A] This article was almost certainly based on MI5 sources. Confirmation of that view comes from studying a similar article which appeared in the *Sunday Telegraph* ten years later (3/5/87). The paper stated that the article was based on senior MI5 sources. It read, "The security service defended itself publically for the first time by claiming that, far from seeking to de-stabilise the Wilson government, the so-called 'plotters' were carrying out their security service duties by 'checking out' some members of the then Prime Minister's circle."

The *Sunday Telegraph* went on to report the concerns of MI5 about various East-West Traders including Rudi Sternberg. Although the article did not mention the Treasury spy, the parallels between the two pieces are striking. Here was MI5's second line of defence; the first being that MI5 had no involvement at all.

[B] The 'diplomat' was Christopher Curwen who is now chief of MI6. Curwen is due to retire when he will presumably be found a security post in the Cabinet Office.

[C] Is this one of the reasons why Callaghan has not added his voice to the calls for an inquiry? Was Callaghan too sympathetic to MI5's concerns over Wilson's circle?

[D] Was there a Treasury spy, or was this the pretext, the necessary piece of bureaucratic paper, which enabled MI5 to mount their surveillance operation? Evidence that there was no

spy is suggested by reading Richard Deacon's book *The British Connection* which in turn was obviously based on MI5 generated material. The right-winger manages to get in all the smears. "Lady Plummer, who was herself of Eastern European origin..... In the first Wilson administration she soon found favour at No.10 Downing Street, where she was a frequent visitor. In 1965 she was made a life peeress and continued to specialize in East-West trade and the subject of racial integration. Because of her links behind the Iron Curtain and her frequent calls at No.10, she was the subject of some suspicion in security circles as a possible source of leakages of Treasury and Board of Trade classified information. MI5 were alarmed by her close contacts with Sternberg and her close friendship with, and influences on, Harold Wilson.....Some leakages of information were traced to Sir Rudi and it was then discovered that Lady Plummer had acted as courier for him and passed on the intelligence to offices in East Germany." (Pages 237-239)

Pincher had access to similar material: "Her contacts with the East Germans were such that she was regarded by the security authorities as a Communist agent of sympathy and she was a frequent and welcome visitor to the Soviet embassy."(*Inside Story*, Page 346)

[E] During his first administration Wilson discovered that MI5 had bugged and kept under surveillance a number of Labour M.P.s. Wilson put an end to the practise. The Security Service solution to this reversal was to bug the phones of friends of these M.P.s and, in particular, members of the so-called Wilson Circle.

[F] This prophetic passage appeared in Auberon Waugh's column in the *Spectator* (22/4/78). Waugh was writing about the 'counter-espionage effort under Harold Wilson'.

"One would have thought that within the whole vast organisation there was one man who knows the full story of 'counter-espionage' in our time and is prepared to spill the beans, whether from anti-socialist motives or simple old-fashioned patriotism."

Did Peter Wright read this?

Private Eye 2/9/77

Intelligence

Treasury Trove

James Callaghan's bland declaration of confidence in the efficiency and integrity of the Security Service shrouds a major Whitehall spy mystery.

It involves a highly secret investigation centred on twin "targets": Harold Wilson's personal and political staff - and the Treasury. [A]

Neither featured, of course, in Mr Callaghan's statement which was carefully confined to recent Fleet Street revelations.

Now the PM and the Director-General of the Security Service, Sir Michael Bowen Hanley, are confident they have ridden out the storm.

Other, less powerful beings in Whitehall are not so sure. Too many people now know what really happened.

And they all appreciate the significance of the affair's key date - July 21, 1969. On that historic day, a heavily-built, balding man, his wife and young son arrived at Washington's Dulles Airport. The trio were escorted through customs by armed agents of the CIA and the Secret Service and quietly introduced to their host - the then CIA Director, Richard Helms.

He was jubilant. Major Josef Frolik, an 18-year veteran officer in the Czech *Statni Tajna Bezpecnost* (STB) - State Secret Security - was safely "home". .

And throughout the following months, the disillusioned defector revealed all he knew about his spy service's espionage operations in the West.

But he had barely begun when Helms contacted the senior "diplomat" based at the British embassy whose real function was to liaise between the Secret Intelligence Service, MI6, and the CIA. [B]

Frolik's general revelations were fascinating. But his information about the Czech set-up in London verged on the explosive. He claimed that a Minister, two other Labour MPs and a batch of trades union leaders had been recruited by the STB. Several of them were so useful that the KGB had insisted on taking over control.

But until the MI6 representative's report reached Whitehall, his additional disclosure that the list of STB agents in London also included a civil servant working in the Treasury was given low priority, compared to the political revelations.

The Frolik Dossier was read with particular interest by the then Home Secretary - Mr Callaghan - who held departmental responsibility for MI5's counter-espionage operations. [C]

For evidence supplied by the Czech defector, who spent 14 years on the "British Desk" at STB headquarters before being transferred as "labour attache" at the Czech embassy in London, confirmed an MI5 theory that the Communists had a key agent within the Treasury.

For years, he had supplied the Czechs and the KGB with details of Top Secret economic decisions concerning defence, foreign and domestic policy.

Treasury chiefs were shocked at the news that they had innocently harboured a spy. And their concern was shared by former Chancellor - Mr Callaghan - who had ruled the department from 1964 to 1967. [D]

But as a Labour Party mandarin, he also felt a sense of relief.

For until Frolik confirmed the MI5 Treasury theory, both he and Wilson had feared

that the source of the high-level leaks was within No.10 itself.

From the early days of the first Wilson administration, the clutch of personal and political advisers, staff - and friends - which Labour's then Prime Minister brought into Downing Street had worried MI5.

And the security men suspected that one of them might be betraying Cabinet economic decisions to an Iron Curtain Intelligence service. At that time, prior to Frolik's defection, there seemed to be no other solution.

A major security operation was mounted to track down the suspected No. 10 spy.

Counter-espionage officers maintained surveillance over Downing Street staff. People they met out of office hours were checked. There is no doubt that some telephone "intercepts" were authorised. Most of them were of domestic telephones.

This, it appears, is how the No. 10 "bugging" legend began. [E]

The whole affair may account for Wilson continuing aversion to the Director-General of Security Services - MI5's full title.

In the end, its officers found no spies in No. 10. So they switched to the only alternative - The Treasury. Possible suspects were eventually narrowed down to one, ideally placed official. And Frolik provided the final confirmation.

Yet, curiously, the civil servant was never charged under the Official Secrets Act. The defector - now living under CIA protection in the United States - believes he is still working in the Treasury!

The department will not comment either way. Whitehall security sources put forward two theories for the spy's failure to stand trial.

He was not under Frolik's direct control and thus the Czech's evidence would be hearsay and inadmissible in court.

Or - and we are unlikely ever to know the truth - the then Government decided not to prosecute the spy as a trial might reveal that MI5 once suspected that Mr Wilson had innocently introduced a Communist agent into No. 10. [F]

Here is another MI5 document leaked to Patrick Marnham. MI5 blamed Wilson for selling 55 Rolls Royce engines to the USSR in 1947. The engines were apparently copied and later fitted to MIG fighters which flew in the Korean War. Wilson had, in fact, been operating on the instructions of Sir Stafford Cripps. American and Conservative politicians later accused Wilson of 'Socialist treachery'. It appears that this particular smear didn't appear in *Private Eye* in the seventies. It was part of club circuit gossip and the only printed reference appeared in 1986.

From '*Trail of Havoc*' by Patrick Marnham

(Viking, London 1987, p97)

For instance, in 1947, the year in which Wilson had become responsible for all overseas trade, the Rolls Royce jet engines were the best in the world, far in advance or anything in Russia or America. In 1947 even within the RAF such equipment was listed by security grades and none could be exported to foreign countries without surmounting two obstacles - the first a security clearance from the Air Ministry and the second the granting of a special export licence from the Board of Trade.

Surprising, then, that not just one but two RR engines - the Nene and the Derwent - were able to be exported to Russia in 1947, to be copied, incorporated into Russia engineering know-how, and thereafter manufactured there without any licence payments coming back to RR. This give-away not only enabled the Russians to catch up very rapidly with the superior technology in jets then possessed by the British, but also enabled her to save the enormous R & D costs that the British people had spent in developing such products. It is not known whether the Russians actually paid for these 'exports' but even if they did so they paid for only one example of each engine. What is known is that RR themselves objected, the Asst. Chief of Air Staff (Intelligence) objected, other Service Ministries objected - but that all were over-ruled and that the Board of Trade granted the necessary licences.

It would be interesting to see the Board of Trade, Foreign Office and Treasury papers relating to this particular incident; possibly Rolls Royce documents are no longer available. Certainly no evidence can be called from the Russians themselves. Nor - short of seeing documents long dead, perhaps now destroyed - will probably anyone discover what and how many other arrangements were arrived at in those years between the Board of Trade, the Russian Trade Delegation, and British traders such as, for instance, timber importers.

Left is an extract from '*Armed Truce: The Beginnings of the Cold War 1945-46*' by Hugh Thomas. Once a socialist, Thomas has been chairman of the Thatcherite Centre for Policy Studies since 1979. Lord Thomas, obviously unaware of its significance, told us that he received the information in 1986 from a 'confidential source'. "My informant was in the Foreign Office at the time, 1947. He told me Bevin was away, when the Foreign Office gave approval." (Letters 25/6/88 & 11/8/88)

Extract from 'Armed Truce: The Beginnings of the Cold War 1945-46'

by Hugh Thomas

public man on the Left, was at heart half a Marxist. Nor did Sir Stafford Cripps, the influential President of the Board of Trade, appear to have much faith in the future of capitalism. On the strength of having been the ambassador of rapprochement with Russia in 1940, Cripps had used a slogan in the election of 1945, that 'with a Labour government, we should have much better relations with Russia'.(71)

One minister soon concerned in relations with the Soviet Union was Harold Wilson, the young President of the Board of Trade. His first indication of the nature of power politics came early in his time in office when the Soviet Union wished to buy jet aircraft engines which had strategic uses - the turbine blades were made of a secret steel called 'Mnemonic 80'. The Foreign Office 'fought like cats' to prevent this, but the Board of Trade believed that exports were more important than ideology. The minister approved the idea in the absence of Ernest Bevin in Moscow. These engines were subsequently copied in the new MIG fighters used by Russia all over the world.(72) It was one of the most valuable exploitations by the Soviet Union of the interval between war and open realisation of a 'cold war'.

These pieces right have also appeared though they do not mention Wilson.

Top-right a snippet by Dr. Kitty Little (See *Lobster* 16 for more on Little) from a pamphlet, '*Treason at Westminster*', published by the extremist Lady Birdwood.

The other is from an article by Peter Dally in *Asian Outlook* (March 1988). Both Dally and Birdwood were involved as British reps to the World Anti-Communist League.

From pamphlet, '*Treason at Westminster*', by Dr Kitty Little

1. The provision of technology and industry for Soviet military requirements:

This is something that covers a far wider range of materials and products than just guns and weapons. The necessary power supplies, all forms of transport, machine tools, electrical equipment and a host of other items are just as important.

The first of the post-war Agreements was the 1947 Trade and Finance Agreement (Cmnd 7439, 1948) (2), under which a railway system and power stations, together with the equipment required for their operation, were exchanged for a certain amount of grain. The Agreement contained the phrase "such further goods as may be agreed". Those further goods included Rolls-Royce Derwent and Nene engines,

copies of which were used in the Chinese air force planes in the attack on Korea a few years later. The inclusion of such open-ended phrases has been a constant feature of British Agreements with the Soviet Union ever since.

An extract from one of the documents sent to *Private Eye* in 1974, apparently by MI5

From article by Peter Dally in *Asian Outlook*, March 1988

It is perhaps worth recalling that when, during the Korean war, the UN and their allies, including UK and US troops, were being attacked by Moscow supplied MIG fighters, it was the British who had so obligingly supplied the original Rolls Royce jet engines. We British wanted to make a friendly trade gesture to that nice 'uncle Joe Stalin'. How many allied lives that stupid gesture cost has never been assessed, or if it has, it has remained 'classified'.

Death of the Strong Man

David Teacher

The channels for US covert military aid to the Afghan mojahedin have been thrown into disarray by the death on August 17 [1988] of President Zia ul-Haq of Pakistan in an aircrash unexplained as we went to press. His death came at a particularly sensitive moment as the Soviet occupation forces prepared to withdraw and both Afghan government and rebel forces geared up for the battle which will decide which bloc Afghanistan will follow.

After the fall of Iran, Pakistan became America's vital staging post for covert intervention in the Indian sub-continent and the pivotal point for clandestine military assistance to the Afghan rebels - still the largest per-capita financial commitment in the CIA budget. In Zia, the US found an enthusiastic partner in the bid to arm and support the most reactionary Islamic factions in the mojahedin. Pakistan's strategic importance for covert operations increased in the early 1980s as India began taking a harder line against CIA operations within its borders. Not only did Hindu India view with disquiet the massive military and political assistance given to its religious and nuclear rival Pakistan and the Islamic mojahedin, its domestic politics was rocked by scandals of bribes and manipulation by foreign agencies. This disquiet was reflected by the expulsion between 1982 and 1985 of 11 American 'diplomats' from the embassy in Delhi and the consulate in Madras. (1)

With Pakistan as America's only unquestioning ally in the region, the death of Zia alone would have enormously complicated the Afghan supply operation. But accompanying the President on the flight were American ambassador Arnold L. Raphael (senior political officer at the Islamabad embassy at the time of Zia's coup in 1977), US military liaison officer General Herbert Wassom, and most of the inner

circle of Army officers who formed the effective government under Zia. Lt. General Mian Mohamed Afzaal, Army Chief of General Staff and favoured candidate to take over as supreme commander of the armed forces, died in the crash, as did General Akhtar Abdur Rehman, chairman of the Joint Chiefs of Staff and overall head of the Pakistani channel for arms to the mojahedin. Rehman had used his position to divert considerable quantities of American covert assistance to the black market, much of it finding its way into the hands of the heroin hierarchy which has a formidable grip on Pakistani domestic politics. Even Andrew Eiva of the right-wing Federation for American Action on Afghanistan estimates that some 70% of US arms goes astray. (2)

But the damage to the Afghan supply line may go further than just those killed in the crash. If the joint American/Pakistan inquiry blames sabotage or a lack of security for the crash, Lt. Gen. Ahmad Gul will almost certainly have to step down as head of the powerful Inter Services Intelligence organisation, ISI. As head of ISI, Gul is the key figure involved in the training and equipping of the mojahedin based around Peshawar, and is their main military adviser. Together with the late Generals Afzaal and Rehman, Gul has been one of the strongest supporters of Zia's hardline policy of direct military assistance to the more radical Islamic fundamentalist rebel groups fighting the government of Najibullah (himself a former head of the Afghan secret police). In the political hiatus caused by the crash, Gul's removal would cripple the Afghan supply operation. (3)

Perhaps because of this, the Americans are making every effort to dispel suspicions of sabotage. But the Pakistani authorities are in no doubt: the new President Ghulam Ishaq Khan has spoken of the enemy penetrating into the very heart of the nation. The two main candidates for a sabotage operation must be RAW - the Research and Analysis Wing, India's overseas intelligence agency - and KHAD, the Afghan secret service.

The Indians would have reason enough to gun for Zia: in his Independence Day broadcast Rajiv Gandhi gave a public warning that India would not tolerate continuing Pakistani support for Sikh separatists in the neighbouring Punjab province in India. The Pakistani ISI has set up training camps in the Peshawar area to train and arm the Sikhs who call for an autonomous state of Khalistan. The Sikh separatists have been a constant thorn in the flesh of the Indian government. Continuing unrest centred around the Golden Temple in Amritsar, the Sikh holy place, has destabilized India's volatile political climate (4), and Gandhi himself is at risk. Former Premier Indira Gandhi was assassinated in 1984 by Sikh members of her bodyguard, and two Sikhs were jailed at Birmingham Crown Court in 1986 for plotting to kill Rajiv Gandhi during a state visit to Britain. (5).

Sikh separatists also joined the mojahedin in attending the WACL 11th annual conference in Luxembourg in 1986, during which General Singlaub announced that the WACL representative in India, Rama Swarup, had been arrested on espionage charges. (6) It was later established that Swarup had passed 48,000 rupees from American sources to one of the defence attorneys in the Indira Gandhi assassination trial, and then flew to Geneva where he met Felix Ermacore, UN Human Rights committee member responsible for Afghanistan. Ermacore, an Austrian Member of Parliament, has extensive links to Nicaraguan Contra propaganda groups and right-wing organisations such as IGFM (right-wing rival to Amnesty International) and the Internationale des Widerstands (Resistance International), bringing together anti-communist 'freedom fighters'. Following Swarup's return from Geneva, the defence in

the Gandhi assassination trial abruptly changed strategy and tried to depoliticize the case by passing the assassination off as the result of a family quarrel. This manoeuvre, no doubt aimed at concealing the extent of foreign manipulation in Indian domestic affairs, failed when Swarup was later arrested. (7)

With the November elections looming, the Pakistani military are keen to prove their innocence: on October 21st a senior Air Force officer, Air commodore Abbas Mirza, revealed that the investigation had ruled out missile attack or any structural fault on the C-130 Hercules, thus pointing to sabotage. (8)

Any proof of foreign complicity in the crash will lead to questions about GUL and the ISI, its competence and its activities. With so many of the key operators and supporters of the arms channel dead, the Americans' main concern must be to rebuild the supply operation with a minimum of publicity. Press attention concerning KHAD involvement in the crash might expose ISI Afghan operations (four Pakistanis were killed deep inside Afghanistan by Afghan government forces on October 22nd) and even lead to Gul's removal. With Pakistan's political future as yet undecided (would Bhutto do an 'Aquino' deal?), the Americans would prefer not to rock the boat. Now that the Air Force has forced their hand on sabotage, the investigation will concentrate on foreign involvement, and so has been transferred to the relevant authority: the ISI.

NOTES

1. Francis E. Schafer, John F. Bender, Abdulla A. Salegh, James L. Culpepper, Harry L. Wetherbee, Claude P. Conelly, Douglas L. Davis, Bertran F. Dunn, Anthony J. Jordan, Joseph H. Downs, Gene G. Griffiths - in *Geheim* No 2 1987
2. *Time*, 9 December 1985
3. *Guardian Weekly* 28 August 1988
4. Over 2000 dead this year alone in inter-religious strife in India - the death-toll in Northern Ireland for the whole period 1969-88.
5. *Guardian* 20, 21, 23 May; 25 October; 13, 20, 22 December 1986
6. *New Statesman* 31 October 1986
7. *Die Contra-Connection*, Konkret Verlag, Hamburg 1988 - an excellent new book.
8. *Guardian Weekly* 23 October 1988

Wallace: Information Policy in fiction

Robin Ramsay

Last year, in the search for independent corroboration of some of Colin Wallace's story, I talked to a number of 'Irish hands', journalists who had been in Northern Ireland while Wallace was working there. One was Kevin Dowling, the *Sunday*

Mirror correspondent there from 1970-74. Dowling was reluctant to talk much about that period of his life but, yes, he remembered Wallace, and knew about the psy ops unit Information Policy. He mentioned a novel about his time there he had written. It had caused trouble for him, been withdrawn after someone chucked a writ at it. It was a brief chat and Dowling's novel went onto the long list of things I had to look into one day. Then in October I discovered a copy of it in my local branch library.

It didn't take long to see why it caused him trouble: Dowling talks of Information Policy, describes Wallace and blows some of the disinformation projects Wallace was working on. And this was published in 1979, when the whole thing was still a secret, before Wallace was fitted-up.

Wallace is 'Major Bill McDowell', Wallace to the life except for thick curly hair the then rapidly balding Wallace would have envied. In McDowell's office Dowling's journalist character, 'Pascal',

'recognized the Major in several of the photos on display...

There was a smiling Santa McDowell, about to climb into a helicopter with a sack of toys in his hand. Here he was again, parachuting down to an orphanage garden, his scarlet robes tucked safely in his belt. (p61) . . . Pascal . . . admired McDowell; but McDowell frightened him a little.' (p62)

Right is a cropped version of one of the pictures Dowling is referring to. (It's not very clear, a photocopy of a 13 year-old newspaper photograph.) It appears in a mock-up front cover of the British Army's house journal, VISOR, produced in Lisburn by Army Public Relations as a leaving present for Wallace by his colleagues. Wallace is also the masked gun-man on the top corner. The lithographic plate made to print this is hanging on Wallace's sitting room wall.

Dowling comments on the Information Policy/Public Relations relationship:

'The Information Policy department was the cannon, Public Relations was merely the shell.' (p62)

He mentions the IRD officer, Hugh Mooney, seconded to Information Policy -

'an Anglo-Irishman who liaised with the Foreign Office and the British Information Service outlets in foreign embassies.' (p62)

Did the press in Northern Ireland know about Information Policy?

'Like many of the better-connected reporters covering Belfast, Pascal had regular contact with the Information Policy section ... The British Army was leading the world in the development of 'psychops' (sic), a new branch of military science which relied less on muscle than on political persuasion by manipulation of the media.'(p68)



What the Papers Say

Yesterdays press gave a warm but guarded welcome to the departure of Colin Wallace from HQNI.

— * —

"Wallace goes without saying" reports Rover in the NEWS LETTER.

— * —

UDR opens Preston Office - big recruiting drive in N/West - DEFENCE.

— * —

Ballymena striker signs for North End - reports our Braid Valley correspondent. Wallace hands in his Orange Card - LOYALIST NEWS.

— * —

How to get increased family allowances - IRISH NEWS.

One of the narrative threads of *Interface* is the attempt by 'McDowell' to get 'Pascal' to print a story about corruption inside the Provos. 'Pascal' refuses it eventually but it is accepted by another journalist character, 'Christopher Strickland'. In reality this was Chris Ryder, then with the *Sunday Times* which ran the corruption story. In Wallace's account of this episode to me it ends with the British Army hiding Chris Ryder from Provo revenge after the story appeared in Butlin's holiday camp at Bognor Regis.

There is one extraordinary paragraph on p213:

'The police reporter from London had left the office and gone to a lunch in Lisburn. He was interviewing McDowell, who had information that the Provos had hired American veterans of the Vietnam war for five thousand dollars a month -

INTERFACE: IRELAND



(The story run by Chapman Pincher in the *Daily Express*, reprinted on page 15 of *Lobster* 16)

- The Irish Godfathers sat around, smoking rich cheroots and robbing occasional banks, while the Yanks did the dangerous fighting. Pascal was grateful for the cynical freemasonry of veteran Belfast reporters, which had omitted to inform his London colleague that McDowell's imagination had already reinforced the Provisional IRA with cadres of Vietcong, Czechoslovakians, Lithuanians and Communist Frenchmen.'

Dowling understood, had correctly 'read' some of the Information Policy operations. Other 'Irish hands' certainly knew of the unit. Why have none of them come forward and said so in the past two years? Because, preposterous though this may seem, we are still unable to persuade much of the media and almost the entire political system that Wallace ever was what he claims. Information Policy was a deniable operation, it has been denied, and none of the journalists who knew about it have made a sound. (With the exception of Dowling.)

The Neave letters

Never mind Peter Wright, he was obviously lying in *Spycatcher* anyway. Wallace is a vastly more important source: he doesn't tell lies, for one thing; and he's got bits of paper, evidence, some of which concerns his dealings with the late Airey Neave after he was thrown out of government service. At the time Neave was Mrs Thatcher's mentor, campaign manager and, by all accounts, her closest political colleague. These Neave letters got a little attention last summer after being shown on *Channel 4 News*, and Ken Livingstone has been banging on about this ever since. Who knows? They may even get some serious attention. Here's one of the letters. 'Ulster - a state of subversion' refers to a document Wallace wrote at Information Policy, one of the spin-offs from the Clockwork Orange 2 project. He gave a sanitized version - all the names deleted - to Neave.

HOUSE OF COMMONS
LONDON SW1A 0AA

31 August

Dear Mr Wallace,

I enjoyed our talk last week, but I fear it was shorter than intended. I would like you to ring me at 01 219-3509 (the House) or 01 387-9393 on Thursday or Friday morning.

I read your material with great interest and wonder if it could be updated to form the basis for a speech on 10 September.

Yours sincerely

Airey Neave

I refer to your own resumé - Ulster - A State of Subversion.



HOUSE OF COMMONS
LONDON SW1A 0AA

31 August.

Dear Mr Wallace.

I enjoyed our talk last week but I fear it was shorter than intended. I would like you to ring me at 01 219-3509 (The House) or 01 387-9393 on Tuesday or Friday morning. I read your material with great interest and wonder if it could be updated to form the basis for a speech on 10 September.*

Yours sincerely
Ainey Heave

* I refer to your own résumé - *Ushli - A State of Subversion*.

Gregory Vosey writes:

A hitherto unnoticed British connection is in *Labyrinth* (Taylor Branch and Eugene M. Proper, Penguin 1983), the book about the 1976 assassination of Chilean opposition leader, Orlando Letelier.

In mid-1975 General Pinochet ordered the Chilean intelligence service, DINA, to gather compromising material on the human rights situation in other countries. DINA dispatched an anti-Castro Cuban, Virgilio Paz, to Belfast to obtain photographs of British military installations in Northern Ireland and, in particular, pictures of prison and interrogation facilities for political offenders. Paz '*somehow gained entry to restricted military installations as well as the Maze prison*'. (p 304)

Later in the year Chile came under pressure from the British government for detaining and torturing a British nun, Sheila Cassidy. Pinochet counter-attacked with a speech criticising Britain for hypocrisy and one of Paz's photographs was used to illustrate an article about Pinochet's speech in the Chilean press.

In 1978 Michael Townley, an American DINA agent resident in Chile, was expelled to the United States for questioning about the Letelier assassination. He subsequently

turned state's evidence and testified about his key role in the conspiracy. Townley's significance is that he was one of DINA's most important agents and many of the DINA operations described in *Labyrinth* are written from his point of view. The account of the Northern Ireland incident, for example, tells how he developed Paz's photographs and how disappointed he felt about the one chosen for publication. It is not known how Paz obtained these photographs but the book refers to "*DINA contacts in Britain*".

More forgeries

Robin Ramsay

In August I received a set of British state forgeries from around 1974. The sender did not include his or her name and address. Reproduced below is one of them, reduced from A4. We don't know for sure if this organisation actually existed. These four new ones plus two from Wallace's files and the notorious Edward Short Swiss bank account, have been published as a pamphlet, *The Anti-Labour Forgeries*, by Labour CRISIS - PO Box 102, Hull HU2 0PX, priced £1.50.

At the Labour CRISIS fringe meeting at the Labour Party conference this year Ken Livingstone's talk was entirely about the Wilson government and the destabilisation campaign. *Made Watergate look like taking candy from a child*, I think was the expression. Ken for leader.

**American Congress for Irish Freedom
326 West 48th Street. New York. NY 10036.**

October 3, 1971.

Mr Merlyn Rees MP
The House of Commons
Parliament Buildings
London
England.

Dear Mr Rees:

Thank you for your generous donation on behalf of the British Labour Party for relief in the Occupied Six Counties of Ireland. We in the Congress are very grateful for the support you and your labour party colleagues have given us during the past two years and we join with you in looking forward to the day when, under a Labour government, Britain will end its repression in the Occupied Six Counties and disengage both politically and militarily from Ireland.

With all good wishes.
Respectfully yours,

James C. Heaney
President
760 Ellicott Square Bldg
Buffalo 3, NY.

James C. Heaney
Buffalo, N. Y.

October 3, 1971

Harry
Big Stone
Wayne, Ohio
James
James Dwight
New York, N. Y.

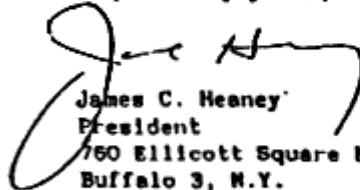
Mr Marilyn Rees MP
The House of Commons
Parliament Buildings
London
England

Dear Mr Rees:

Thank you for your generous donation on behalf of the British Labour Party for relief in the Occupied Six Counties of Ireland. We in the Congress are very grateful for the support you and your Party colleagues have given us during the past two years and we join with you in looking forward to the day when, under a Labour government, Britain will end its repression in the Occupied Six Counties and disengage both politically and militarily from Ireland.

With all good wishes.

Respectfully yours,


James C. Heaney
President
760 Ellicott Square Bldg
Buffalo 3, N.Y.

JCH:ha

UNITED
American War Veterans
Heaney's Committee
Heaney Committee
and information

New York City Boston, Mass.
Buffalo, N. Y. Jersey City, N. J.
Philadelphia, Pa. Providence, R.I.

CHAPTERS

Cleveland, Ohio
Byroness, N. Y.
Springfield, Mass.

Birmingham, Ala.
Detroit, Mich.
Dayton, Ohio

New Haven, Conn.
Charlottesville, N. C.
Chicago, Ill.

Washington
San Francisco
Oakland

A correction:

David Teacher writes:

A printing error in *Lobster 16* seemed to indicate that Lt. Col. Dillais and Major Mafart had been disciplined for their role in the Rainbow Warrior sabotage. They were in fact disciplined for their part in the 1981 rebellion: no disciplinary action of any kind has been taken against Action Service members involved in the New Zealand operation. Mafart, star pupil at the Ecole de Guerre, has even been promoted to Lt. Col.

Lonrho

At the end of July this year the struggle between Lonrho and the Al-Fayed family over the Al-Fayed purchase of the House of Fraser made the front page, lead story, of the *Guardian* (July 30 1988: see also *Independent* 1 August 1988). The occasion was the leaking of some reports, legal advice from Sir David Tudor-Price QC to the Director of Public Prosecutions, on the pros and cons of prosecuting Lonrho. We were sent a copy of these documents by a lawyer connected to the Al-Fayed side of the dispute. Reluctant though we are to be used in this kind of faction fight, these documents deserve publication. Reproduced here, reduced from A4, is one of them.

Re: Lonrho Limited

Report of the Department of Trade and Industry Inspectors.

ADVICE

1. On 11th May 1976 Mr. David Cox and I together with Mr. Whitfield from the Department of the Director of Public Prosecutions attended a consultation with her Majesty's Solicitor General. The Solicitor-General inter alia sought our views upon the possible effects of publication of the Report upon the forthcoming enquiry by officers of the Company Fraud Squad and upon any Criminal proceedings which may be instituted as a result of that enquiry. I was asked to provide a short advice in writing upon this topic confined, of course, to prosecuting considerations.
2. It seems inevitable that whichever course is taken, (i.e. publication or withholding publication,) that course will attract criticism in some quarters. But it is my firm opinion that from the point of view of a prosecuting authority the arguments in favour of withholding publication greatly outweigh those in favour of publication.
3. If the Report of the Inspectors is withheld it may be said in some quarters that wrong doing is being covered up. It may also be learnt (or have been learnt already) by the Press that representations have been made to the D.T.I. by the Directors of Lonrho who are seeking to persuade the D.T.I. that publication would damage national and vested interests. It will then be said that the powerful and rich are able to suppress this Report and prevent the public learning the truth of misconduct within this company. It would also be unfortunate if this Report were withheld from publication for a very protracted period and then in the end no criminal proceedings were undertaken. This would mean that the Report would be very stale when eventually published and the delay in publication would be the subject of much criticism.
4. On the other hand if the Report were published now there can be no doubt that it would attract a blaze of publicity. There would then develop a public debate as to whether or not there should be a prosecution. In my opinion the Law Officers and the Director would be put under considerable pressures through questions in the House of Commons and from other quarters. Although the Inspectors have largely avoided pointing out the criminal provisions of the Companies Acts they have recited facts and made findings which, if they are

correct, show that a number of Directors of Lonrho have committed criminal offences. In this context they have on many occasions concluded that the conduct of particular persons merits severe criticism.

5. The form which a public debate would take cannot be exactly forecast. But I would expect some would be clamouring for the Director to bring proceedings and asking why he was not doing so immediately. Others, (although a smaller number,) might rally to the defence of Mr. Rowland, in particular, and advance an argument that "bending the rules" in piratical ventures in Africa could be excused if the result of such ventures was profit and advantage to the national economy.

1. In my opinion such a public debate would be unfair to any person who was later charged with an offence. The involvement of a member of the Royal family and former Cabinet Minister is bound to fix the matter firmly in public memory. If in the end there was a trial by jury the members of the jury would be bound to recollect some of the facts and comments thereon and might have formed strong personal views upon the matter.

2. The publicity might also make the task of the company fraud squad both more difficult and more damaging to the company's interest. All at Lonrho would be likely to be more defensive and less co-operative and the news of a Fraud Squad investigation would confirm and increase loss of confidence in the company.

3. The public debate might possibly create difficulties in the exercise of a normal prosecuting discretion in relation to those persons who are not central figures and whose involvement was more marginal.

6. It is my opinion that there is a high probability that when the police enquiry has been completed we will be able to advise that evidence has become available to prove serious breaches of the Companies Acts and that there will be a reasonable prospect of conviction of some, at least, of the persons named in my original advice. This makes the present situation unlike that which existed in the case of the Vehicle and General Insurance Company Report.

The offences which the present Report reveals are not merely technical offences. The majority of them are offences in which the essence is improper concealment of information from share holders of a public company for the purpose of private enrichment.

I have in mind the following possible charges:

1. an offence against Section 84 of the Larceny Act 1861 in relation to the recommendation to shareholders in 1966 relating to new options being granted to Rowland.

2. A conspiracy to defraud in relation to Nyaschere and the Shamrock mine of which the essence was personal enrichment of the principals.

3. Offences against Section 19 of the Theft Act 1968 in relation to:

- a. the Wankel acquisition
7. payment to Lord Duncan-Sandys
8. "repayment" of the purchase price of Rowland's house.
 1. An offence against Section 7 of the Exchange Control Act 1948 in relation to a payment of £75,000 in connection with Lord Duncan Sandys,
 2. a conspiracy to commit breaches of the Southern Rhodesia (United Nations Sanctions) Order 1968.
9. Since attending upon the Solicitor-General I have had a short conversation with Detective Chief Superintendent Etteridge of the Company Fraud Squad which leads me to believe,
 1. that he shares my view that it may be possible to be in a position to commence proceedings within a relatively short period. He thinks that the figure which I gave to the Solicitor-General of within 9 months of May 11th 1976 is not an impossible target, and
 2. that it may be possible to prove a conspiracy to break sanctions from the documents already in possession of the D.T.I. without some of the difficulties which I had earlier envisaged arising.

D. Tudor Price

Queen Elizabeth Buildings
Temple E.C.4. May 19 1976

Brian Crozier, the Pinay Circle and James Goldsmith

In *Lobster 11* we included a little appendix on '**the Pinay Circle**'. *Lobster 11* was done at full-tilt, researched, written and produced in about 4 months, and there were a number of bits and pieces we didn't evaluate which went undigested into the appendices. One was this Pinay Circle. At the time all we had was a couple of references to it, status unknown. But it looked interesting.

Since then we have made a couple of discoveries. One was the text reproduced below. This is one of a handful of the 1975 **Institute for the Study of Conflict** internal documents leaked to *Time Out* which we managed to track down in London. Most of the reported 1500 documents are now missing. (If anyone reading this knows who has them, please get in touch. We all know a lot more than we did then and they ought to be re-examined.) The minute reproduced below of an ISC meeting in 1972 confirms the references to 'the Pinay Circle' and its links to ISC carried in *Time Out* in 1975.

CONFIDENTIAL Council Minutes

21 JAN. 1972

Report on European Security and the Soviet Problem;

Visit of Maitre Jean Violet

The Chairman said that from what he had heard this report had been a remarkable success. He was impressed with the way in which M. Pinay had accepted the views of the ISC on how the Institute thought it should be handled and it was gratifying that the Pinay Committee had been so delighted with the finished result.

Mr Crozier said that M. Violet, who had commissioned the report on behalf of the Pinay Committee, had come to London with M. Pinay during that week and that he, with Mr Goodwin, had met then over lunch. Pinay had given Mr Crozier documents relating to their next project. M. Pinay had presented a copy of *European Security and the Soviet Problem* to President Nixon and Dr Kissinger in America. Earlier that week he had had a three hour session with President Pompidou, during which time he had presented him with a copy of the publication in French. Maitre Violet had also presented copies to a number of German politicians, mainly Christian Democrats, who are having the report translated into German. And he had shown a copy to the Spanish Minister and to the Pope. NSIC in New York had bought 500 of the ISC's initial print order, and another 500 had been bought by the American Bar Association. In effect we were out of print on the day of publication. Numerous orders were in hand for the reprint. A leader in the *Daily Telegraph* of 14 January spoke highly of the publication.

We also got hold of a copy of the 1982 *Der Spiegel* article which referred to Pinay. Here, translated by **David Teacher** (to whom our thanks), are what seem to us to be the important bits. This is from *Der Spiegel* No 37, 1982, an article called 'Victory for Strauss'.

The Langemann papers

8th November 1979

Protected source contributions to state security. Personal for the state minister only

"The militant conservative London publicist, Brian Crozier, Director of the famous Institute for the Study of Conflict up to September 1979, has been working with his diverse circle of friends in international politics to build an anonymous action group, 'transnational security organisation', and to widen its field of operations. Crozier worked with the CIA for years. One has to assume, therefore, that they are fully aware of his activities. He has extensive connections with members, or more accurately, former members, of the most important western security and intelligence services, eg the Comte de Meronges, ex Director of the French SDECE. Furthermore he has a close relationship with Mr 'Dickie' Franks, Director of the British SIS and his closest assistant Mr N. (Nicholas) Elliot who was a department head in MI6. Crozier, Elliot and Franks were recently invited to Chequers for a working meeting. It must therefore be concluded that MI6 is fully aware of, if not indeed one of the main sponsors of, the anonymous security group. Also closely connected with Mrs Thatcher and Mr Franks is the prominent journalist Robert Moss, who, together with Fred Luchsinger editor of *Neuen Züricher Zeitung*, Dr Cux of the Swiss Intelligence Service of Colonel Botta and Gerhard Lurventhal, moderator of the German TV

channel ZDF, are involved in the promotion of the group's publicity programme ..."

Amongst other points in the (Crozier) planning paper are

Specific Aims within this framework are to affect a change of government in

- a. *the United Kingdom - accomplished.*
- b. *In West Germany to defend freedom of trade and movement and oppose all forms of subversion including terrorism ...*

What the group can do:

- *provision of contributions by certain well-known journalists in Britain, the US and other countries*
- *access to television*
- *creation of a lobby in influential circles directly or indirectly through middlemen whether they are informed of this or not*
- *organisation of public demonstrations in particular areas on themes to be decided and selected*
- *the involvement of the main intelligence and security agencies both as information sources and as recipients for information in these institutions*
- *undercover financial transactions for political aims.*

What the group can do if financing is available.

- *Conduct international campaigns aiming to discredit hostile personalities or events.*
- *Creation of a (private) intelligence service specialising according to a selective point of view.*
- *The establishment of offices under suitable cover each run by a co-ordinator from the central office. Current plans cover London, Washington, Paris, Munich and Madrid.*

"As far as can be judged by outsiders Crozier has initiated with his group the project 'Victory for Strauss' using the tactics applied in Great Britain, of major themes such as the communist, extremist subversion of government parties and trade unions, KGB manipulation of terrorism and damage to internal security. The future form of the project will be left to be determined by Crozier with him in a directing role. The operational themes will be announced. However, temporarily my evaluation is that given the personal opinions of the Crozier group, and particularly Crozier's affinity to personalities in the secret services, the tactical and conspiratorial aims and methods laid down in the planning paper for 'Project: Victory for Strauss', can in fact be completely identified. It is also almost certain that on the basis of his project laid down in the document Crozier will run up against sharp defensive reactions from such security and intelligence services whose operational chiefs do not follow his political lines, such as, for example, the BND and the BfV. As Crozier speaks readily of his basic plan and the aforementioned victory project the problem is quite obvious. One possible consequence is that the story could end in undesired negative publicity."

The *Spiegel* text then continues that in 1980 *Spiegel* had reported about the multiple contacts of Strauss to various security service members all over the world and

particularly the extremely confidential participation of the CSU chief in the meetings of a mysterious 'circle'. In a confidential note to the Personal Secretary to the Minister of the Interior Tandler, Langemann gives some details of what this 'circle' does.

Confidential note to Dr Waltner as agreed in conversation. (written 1980)

'... the Circle consists of a loose gathering of various conservative and anti-Communist politicians, publicists, bankers and VIPs that meets some twice a year in various parts of the world. Its origins stem from the former French Prime Minister Antoine Pinay. The Circle, which still exists today, also invites guest speakers. The last meeting of the Pinay Circle was on the weekend of 1st December 1979 in the Madison Hotel in Washington. Among the participants were the German minister Narjes (now influential in the EEC), ex Minister of Air Julian Amery, from Great Britain, ex CIA Director William Colby, Federal Reserve Bank manager Volkers, President of the Heritage Trust Foundation, Feulner, Italian Finance Minister Pandolfi, and the South African General Frazer. Acting as a kind of co-ordinator from the original French side is the Parisian lawyer Maitre Jean Violet who took over the central operation of the Pinay Circle as Pinay himself got older. Violet has connections to several intelligence services in the West, certainly to the CIA, to the French SDECE, to British SIS and Swiss Military Intelligence Service, particularly to its chief of provisions Colonel Botha.'

'Gehlen, who was always interested in the undertaking, its figures, its personalities and its results, succeeded in recruiting Violet as a special agent and granted him 6000 DM a month for many years. He also claimed that this sum had been agreed with the former head of the SDECE, General Jacquier because Violet is also receiving the same sum from the SDECE. As I was the leading operator for Special Affairs for the Gehlen organisation I met Violet several times with my operative colleague, the now deceased Marchese de Mistura, and we met Violet in his Paris apartment. In our conversations with Violet the Pinay Circle was never mentioned in any depth. However, on General Gehlen's orders, I did once give him, 30,000 DM for this aim.'

'The reporting from this complex which also included the French statesman Poher, was essentially undertaken by the special contacts Dr Johannes Shauff and the now deceased Klaus Dohrn. Later the Parliamentary State Secretary, Baron Guttenberg, personally gave me the task of keeping the dubious Mr Violet - whose cover name was Little Violet - under observation for counter espionage purposes. Nothing came of this for reasons that I don't need to go into here ...

'One recent development is the establishment within the Circle of a command staff or of an inner circle which then works out particularly suitable means for action on current political questions. The transnational security attempts of Brian Crozier have already been the subject of previous reports. On 5 and 6/1 1980 members of the Circle met in Zurich to discuss executive measures. At this meeting, which was lead by Mr Violet, were Graf Huyn MP, Brian Crozier former long-term operative of

the CIA, Mr Nicholas Elliot former Department Head of SIS, General D. Stimwell ex DIA, and Mr Jameson, CIA.

The main things discussed were:

1. (a) international promotion of the Minister President (Strauss) in international publications
2. (b) influencing of the situation in Rhodesia and South Africa following a European Conservative guideline and
3. (c) the establishment of a powerful directional radio station aiming at the Islamic region and including the border populations of the Soviet Union.

'Note: these recommendable aims have not been followed with sufficient attention paid to protection of their secrecy and therefore negative publicity cannot be excluded. There is simply too much talk about it. In my opinion there is an urgent need for expertly restricted consultation in the sense of the influence of foreign intelligence services both here and in other regions abroad. (Munich 7th March 1980, Dept 1(f) Dr Langemann.)'

Steve Dorril comments:

The documents tell us that in January 1980 'the Circle' discussed ways of promoting Strauss' image in international publications. Within a month the campaign had begun. On 15th February Crozier published an article in Sir James Goldsmith's magazine *NOW!*. This dealt in depth with an allegation made in *Der Spiegel* (June 1963) that Strauss had been involved in a fraud when he was a Minister. Strauss was later exonerated but as a result of the notorious 'Spiegel Affair' Strauss' hopes of becoming Chancellor were dashed. Crozier's article was the beginning of a campaign of rehabilitation.

Goldsmith himself joined in this campaign. In January 1981 he addressed the Conservative Media Committee in the House of Commons on 'The Communist Propaganda Apparatus and Other Threats in the Media'. In his speech he quoted the Czech defector Major-General Jan Sejna who '*admitted that the campaign by the German news magazine Der Spiegel to discredit Franz Joseph Strauss was orchestrated by the KGB*'. It was, of course, a load of rot and *Der Spiegel* took out a writ.

Goldsmith employed 20 researchers for three years to back up his case. One of those taken on was the temporary Soviet defector, Oleg Bitov. Bitov wrote of the episode in *Moscow Literary Gazette* (6 March 1985). Goldsmith included this '*fanciful and entertaining*' piece in his own privately published collection of essays and speeches, *Counter Culture* (1985). In it Bitov alleges that Crozier was organising the research from an office in Regent Street. (Is this the 'transnational institute?')

Goldsmith was able to proclaim '*I personally interviewed every major defector from the eastern bloc in the last 3 1/2 years*'. (*Sunday Times* 7 October 1984) How he managed this is not mentioned but it was presumably arranged through 'the Circle' member, Jameson of the CIA, the man who set up the 'private' Jameson Institute which handles Soviet bloc defectors.

When the star witness, Bitov, returned to the USSR, an out of court settlement was made between Goldsmith and *Der Spiegel*. Although he retracted his original statement, Goldsmith claimed victory. (It is clear that *Der Spiegel* were in no position to fight the very long and costly court case Goldsmith threatened.) Later Goldsmith told the press he would reveal the results of the investigation he had paid for in a book. The book didn't arrive but some of it was passed on to Chapman Pincher who wrote three chapters on the '*Der Spiegel* Affair' in his book *The Secret Offensive* (London 1985). Pincher acknowledges the material he received from Goldsmith and his defector contacts on Soviet 'Active Measures'.

This is only a skim across a very interesting episode which, given the allegation that Goldsmith attended the meeting between the G. K. Young-Anthony Cavendish 'action group', UNISON, and Peter Wright, may have some bearing on the 'Wilson plots'. If there was a connection between the campaigns against both Wilson and Willy Brandt, as some believe, was it 'the Pinay Circle' which co-ordinated the action?

For accounts of the original '*Der Spiegel* Affair' which place the episode firmly within West German power politics - the dispute between Gehlen and Strauss - see *Network: The Truth About General Gehlen*, Heinz Holhe and Herman Zolling (London 1972) and an interesting article by Sarah Gainham in the *Spectator* 9 November 1962.

Robin Ramsay adds: Gainham is a writer of spy fiction. Her 1959 *The Stone Roses* (Sphere paperback, London 1971), a defector story set in Prague, carries the dedication 'This story is for Friends in Prague'. 'Friends' is British secret state jargon for MI6, and was not at all widely known in 1959. Gainham is married to the journalist Anthony Terry. Terry was in New Zealand last year and part of this, sniffing around the anti-nuclear groups. (One of whom wrote to us asking about his background) I haven't done a search for Terry's material but have an absolute disinformation whizzer of his, 'Red Paras join in Namibia build-up' in the *Sunday Times* of July 2 1978, predicting an attack by East German paratroops on Namibia! On Terry's background see *Lobster* 15, p2.

A thorough study of the entire collection of *NOW!* needs to be done. I picked up a few copies recently from 1980. Crozier had a column in it - he wrote again in praise of Strauss on September 26 - later an entire section of the magazine. The *NOW!* lay-out people presented this contents list on December 11:

Brian Crozier:

Is Teng leading China to capitalism? 16

Colonel Gadaffi and the hit squads 18

Reshuffling the Middle East pack 20

Fight of the reluctant castaways 21

Poland: Russia on the border 22

In fact three of the articles are by messers Payne, Dobson and Floyd - some of the more passionate friends that the British secret state has had in the British press.

- Ronald Payne, just back from Amman, looks at the confrontation between Syria and Jordan
- David Floyd reports on the mounting tension that followed an apparent

relieve

- The colonel who cannot understand what all the fuss is about talks to Christopher Dobson

So, was *NOW!* part of the Crozier operation?

US calls the tune in Oz

The *Independent* (2 September 1988) reported that 10,000 pages of confidential documents had been 'obtained' (presumably ripped-off) from the office of former Australian Minister for Foreign Affairs, Bill Hayden, recently appointed Governor General. Among these documents was a copy of the US State Department's suggested text for the Australian Government to announce ditching its non-nuclear policy. In the event this bore a remarkable similarity to the government's statement. The extracts from both reproduced below are from *Wellington Pacific Review* No 14, in turn taken from the new Australian version of *Private Eye*, *The Eye*. Given the number of Australians living in London, copies of *The Eye* are bound to start being imported. If someone finds out how to get it in London, please let us know.

The Eye August 1988

BEGIN TEXT PROPOSED PUBLIC STATEMENT: S E C R E T - - - EIDIS

THE AUSTRALIAN LABOR PARTY AND THIS GOVERNMENT HAVE GONE ON RECORD AS SUPPORTING THE ROUTINE VISITS OF SHULTZ

END TEXT

What Schultz wanted the Labor Government to say

1. The Australian Labor Party and this Government have gone on record as supporting the routine visits of naval ships of our ANZUS allies, particularly the British.
2. Visitation by allied vessels is perfectly consistent with our obligations as a sovereign nation that has voluntarily entered into mutual security agreements to protect fundamental interests. The provision of necessary repair facilities is an implicit obligation under these agreements.
3. Regarding the use of Australian repair facilities, further clarification is in order. Whether

What the Labor Government dutifully said

1. The Australian Labor Party and this Government have gone on record as supporting the visits of naval ships of our ANZUS allies. This policy applies equally to our other friends and allies, particularly the British.
2. Visits by allied vessels are fully consistent with our responsibilities as a sovereign nation which must protect fundamental interests, as is the provision of necessary repair facilities.
3. (On) the question of an allied or friendly warship possibly needing to dry dock in an Australian port in the future, it was agreed that

our facilities would be appropriate for use in a given situation would depend on technical and safety requirements of both the RAN and the allied navy and would vary from ship to ship.

4. As a matter of record we wish to state that this Government does not require assurances that allied governments reveal whether their ships carry nuclear weapons. Both the US and British governments have a policy of neither confirming or denying the presence of nuclear weapons. We understand and respect the reasons for that policy.
5. As befits relations between friends and allies, we will continue to have close consultations on all matters that affect our joint efforts to provide for our mutual defence.

each request would have to be considered on its merits taking into account technical and safety factors.

4. As a matter of record we wish to state that this Government does not require that allied governments reveal whether their ships carry nuclear weapons. Both the US and British governments have a policy of neither confirming or denying the presence of nuclear weapons. We accept the reasons for that policy.
5. As befits relations between friends and allies, we will continue to have close consultations on all matters that affect our joint efforts to provide for our mutual defence.

PSYOPS in the 1980s

Robin Ramsay

Maurice Tugwell/Centre For Conflict Studies

More on the good Mr Tugwell and the Centre for Conflict Studies mentioned in issue 16. An article in the Canadian magazine *New Maritimes* (June 1986) describes CCS as

'on the edge of the campus of the University of New Brunswick ... the Centre staff is not, however University faculty, and (it) does not accept students for study in courses ... it is more a private company operating as an idiosyncratic kind of university protectorate.'

New Maritimes says CCS was set up by Tugwell and David Charters in 1980 since when they have received 'research contracts' from the Royal Canadian Mounted Police, Department of National Defence, the Canadian Police College, the US Department of Defence and NATO. The 1984 CCS Annual Report claimed it had made more than 100 'media contributions' each year since its inception.

All of which fits; diversified funding for 'reports' and 'independent expertise' which is used by the media. Pretty much the same thing is happening here with the Institute for

the Study of Terrorism. Psy ops in the 1980s, in short, (like psy ops in the 1970s only with better cover).

In October this year Tugwell had a book out in Canada, *Peace With Freedom* in which he discusses (according to the blurb)

- how and why peace with freedom is threatened
- the real meaning of perestroika, glasnost, and the 'new thinking' in terms of the Soviet propaganda machine
- the role of the mainstream peace movements and the Churches in Canada
- the crucial role of deterrence in maintaining peace with freedom
- the one-sided and often emotional "peace education" being taught in Canadian schools.

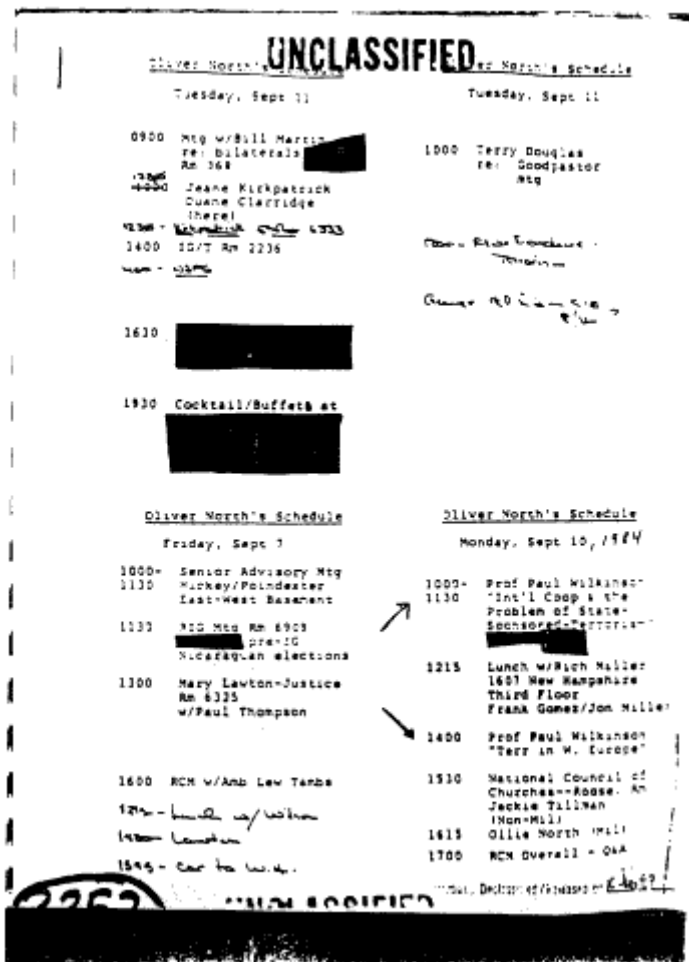
This has a familiar ring to it, as does the Canadian Coalition for Peace through Strength which Tugwell addressed on 'Researching a Sacred Cow - the Canadian Peace

Movement.' In June last year Tugwell was speaking with our very own Baroness Cox (she of Campaign for a Free Britain) in Toronto. Tugwell spoke on the 'connections between the "peace" movement, defence and national security and the educational system in Canada'. (*Phoenix* (Toronto) April 1987)

One of the things Tugwell presumably won't discuss in his book is his support for apartheid expressed by his directorship in the Canada-South Africa Society. (*NOW* (Canada) May 14 1987)

CCS, meanwhile, the Tugwell/ Charters project now run by Charters, has a Washington office. The publishers Facts on File have announced a forthcoming book, *Combating the Terrorists*, edited by H. H. Tucker and 'Sponsored by the Institute for the Study of Conflict, London; and the Centre for Conflict Studies, Washington.' (Presumably sponsored means paid for by.) It includes a paper by ex ISC Peter Janke, now Director of Research for the MI6 operation, **Control Risks**. Editor Tucker is a former Deputy Head of IRD. No team like the old team. (Thanks to H. G. in Canada for the clippings.)

Tugwell is a contributor to *Contemporary Research on Terrorism* edited by Paul Wilkinson and Alasdair M. Stewart (Aberdeen University Press, 1987), some of the papers from a big conference on terrorism held in Aberdeen a couple of years ago. This is a thoroughly dishonest piece of work in which only one essay in the 550 or so



pages even hints at the uncomfortable fact that most of the world's terrorism is a part of American foreign policy. Wilkinson is important enough to have found himself in the diary of one Oliver North in 1984. How long can Independent Television News go on paying this man to be their 'consultant' on terrorism?

The 'Terrorist Threat' in Britain

Phil Edwards and Robin Ramsay

With the decline of the revolutionary socialist Left the Right has turned to the anarchists for a law-and-order bogeyman - and a stick to beat the Left with. One journalist involved is Jamie Dettmer. Having worked for *Tribune* for a while, Dettmer migrated to the *Sunday Telegraph* (for whom his first article was an 'expose' of the lefties in the Labour Party) where he has produced 'anarchist threat' material. Last year a pamphlet called *Written in Flames* was published by Hooligan Press from a box-number address, 'BM Hurricane'. Subtitled 'Naming the British ruling class', the pamphlet gives names, addresses and directorships from public sources. Dettmer portrayed *Written in Flames* as a long incitement to violent attacks on the individuals named, and speculated about the mysterious 'Hurricane group'. (The *Guardian* wrote of the 'Hurricane punk anarchist group's activities', December 29 1987.) There is no Hurricane group, and the pamphlet contains precisely one sentence which could be read as an incitement to violence.

Dettmer did it again with *The Scum*, an anti-union pamphlet in the form of a Tintin cartoon in support of the print-workers. Tintin goes to Wapping to help the unions in the fight against Rupert Murdoch, only to learn that the stewards are helping police control the pickets and the leaders are selling out the strike. Moral: pickets must become self-organising, unions are not to be trusted. Dettmer quoted one line, a sick joke about the murdered PC Blakelock, completely irrelevant to the pamphlet as a whole. The point of his article was the allegation (since denied) that the pamphlet was available in Reading Matters, the Haringay bookshop which has been targeted by the local Tories, the Campaign for a Free Britain and the Moonies. And Reading Matters had received a grant from a Labour council. (Variations on a theme of 'commie perverts on the rates').

The new 'anarchist threat' has its own (slight) intellectual support unit, the **Research Foundation for the Study of Terrorism**. RFST's trustees are Paul Wilkinson, Michael Ivens of Aims, Norris McWhirter of the Freedom Association and John Newton Scott. Its address is 40 Doughty Street, the address of Aims. Their first contribution came out at the end of 1987: Anarchist group **Class War** are systematically harassing London docklands residents; there are 'Bash the Rich' marches, a pamphlet, *Written in Flames*, telling you who to bash; and *Without A Trace* on evading arrest apres-bash. Also involved are the **Direct Action Movement (DAM)** and groups named **Hurricane** and **Flamethrower** - oh, and the **Animal Liberation Front**. So there you are: they're all in it together. Battle stations!

RFST aren't even close (and probably didn't try to be). **Class War** have never been at the centre of anything and provoke the same mixture of disdain and suspicion among anarchists as **Militant** do from socialists. The 'Bash the rich' marches were indeed Class War's idea; but the last one was in 1985. The campaign of yuppie-harassment never amounted to much more than aerosols, noise and bent aerials. *Without A Trace*

is a forensics manual. Neither it nor *Written in Flames* has any connection with **Class War**. The **Animal Liberation Front** is supported by a wide variety of people, including anarchists, Christians and a character in the TV soap, Brookside. In any case all ALF actions are local and uncoordinated.

[Erroneous Section Deleted from Original]

ATTACK

ATTACK ATTACK ATTACK



The Voice of
Respectable Moderation



The use of the minor media for psy ops purposes is not new. The now defunct 'underground' paper, *International Times* was used in 1980 to run obvious state psy ops material. The issues of Jan./Feb. and Summer contained long smear stories about the late Lord Mountbatten and the Reverend Ian Paisley respectively. And the National Front's *Spearhead* (July 1975) carried an extraordinary article, written by someone with access to Information Policy's files in Northern Ireland, running the 'Communists in the UDA' line.

How much of this disinformation/psy ops actually goes on is impossible to evaluate. This year (1988) three examples of note have appeared, all

purporting to show a violent 'revolutionary' threat growing in our midst. On February 1st the *Guardian* reported that the '*Angry Brigade*' was claiming responsibility for setting fire to a magistrate's court in Epping. The Angry Brigade? That 'Angry Brigade'? In May the *Daily Mail* ran a story about a fictitious '*Gay Rights Action Movement*' which was threatening members of the House of Lords. (reported in *Tribune* 13 May 1988) But the most interesting, and the most promising from the Right's point of view, has been the creation of the '**Black Liberation Front**' threat.

This seems to have first reached the national media in April when someone put an incendiary device (which failed to go off) under the car of the Assistant Chief Constable of the West Midlands and the '**Black Liberation Front**' claimed responsibility. The *Independent* (8th April) reported that 'BLF' were responsible for a series of violent actions going back to March 1987. The paper also reported that black leaders in Wolverhampton, where these events are said to have taken place, believed the 'BLF' to be a neo-Nazi provocation. Meanwhile, another '**Black Liberation Front**', apparently based in London, and apparently an off-shoot of the Black Panthers (sic), disowned the Wolverhampton version. (*Sunday Times* 31 July 1988) The final important link was made in the August edition of *Special Forces* which told of an IRA '*alliance with the London based Black Liberation Front.*' (p22) (*Special Forces* is edited by a former British Army officer, Peter Harclerode.)

The themes of insidious conspiracy and subversion within have always been a part of

the British Right's ideological package, but in the past few years they have become much more explicit. At one level it looks fairly straightforward. The British military/intelligence complex has been preparing for years for the time when the 'Soviet threat' ceases to guarantee their budgets. And that might be soon. Georgi(?) Arbatov, one of the Soviet Union's prominent spokesmen in 'the West' (West of where?), recently told an American audience: *We are going to do something terrible to you. We are going to take away your enemy.*

The 'terrorist threat' in general, and this recent anarchist sub-theme, is being presented as a free-floating entity independent of Moscow Gold or control. The KGB line is close to being abandoned. The 1970s in Northern Ireland were really the last time our secret state seriously tried to market the Moscow connection, without notable success. The Moscow line conspicuously failed in this country in 1983/4 when it was half-heartedly run by the Tories and the secret state against CND. At another level it is as if, in tune with most of Mrs. Thatcher's brain, we had returned to the 1920s, the hey-day of British right-wing paranoia.

Perhaps the richest example of the recent crop of Right conspiracy theories surfaced in 1985. Peter Shipley worked in the Prime Minister's Policy Unit up to 1985 then joined Tory Party Central Office where he was last sighted during the general election of 1987. Shipley inhabits that grey area between the pseudoacademic/academic front and the intelligence services. He is probably a spook but there isn't any evidence. After the rioting in Handsworth in Birmingham, Shipley explained to the readers of the *Daily Telegraph* (12/9/85) that members of the **Revolutionary Communist Party**

'were present in Birmingham in the days preceding the outbreak of this week's rioting, ostensibly to hold meetings - some on the streets - about South Africa.'

(For non UK readers, the RCP has - who knows? - 600 members? It's minute.)

Shipley's is a model example of its kind. The 'enemy within' with white revolutionary Marxist violence added to the images of black urban rioting; and the reassuring, racist message that our blacks aren't capable of getting uppity themselves, they only do it when white lefties get them all cranked up.

Three years later the revolutionary socialist 'agitator' has been replaced by the authentic terrorist. The attempt to link the '**Black Liberation Front**' (sic) with the IRA is a logical step forward. A 'black IRA' has enormous psy-ops potential in our society - if it can be made to stick without getting exposed.

The bogus group is just an adaptation of the counter or pseudo gang used in Northern Ireland. It raises one of the unresolved questions in this area; having created the 'terrorism industry', how far is the British state prepared to go to produce some 'terrorism'? What will the British secret state do if the Northern Irish thing ever gets resolved? How will the IRA be replaced as source of the 'evidence' of a British component in international terrorism?

Geheim - CIA in England

This is from No 3 volume 7, 1988 of *Geheim*, the German member of the international brotherhood of parapolitics mags (of which *Lobster* is apparently the smallest, poorest and least frequent). The good news for those of us too lazy to learn anything but English is that *Geheim* is going to produce an English- language version. Was a time in the mid 1970s that a list like this would have been newsworthy in Britain.

CIA in England (Stand: Herbst [autumn] 1987)

Ort: CIA-Station in der US-Botschaft, [embassy] London

Bull, Richard C.

Quellen: [sources]

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Mader, J. Who's Who in CIA. 1968

Ray, E. Dirty Work 2. 1979 (pp 321-2)

Diplomatic List. London 1987

Burkart, James E.

Quellen:

Covert Action Information Bulletin 12/80 (p 33)

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Calingaert, Michael

Quellen:

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Mader, J. Who's Who in CIA. 1968

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Graver, William J.

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Hess, 'Hess' and the 'peace Party'

Robin Ramsay

Hess: A Tale of Two Murders

Hugh Thomas
Hodder and Stoughton, London 1988

This is an update of Thomas' 1979, *The Murder of Rudolf Hess*. Thomas argues (a) that the 'Hess' in Spandau prison wasn't Hess at all but a double; and (b) that both the real and false Hess were murdered. The first proposition Thomas **proves** beyond reasonable doubt. He is less successful with the murders but that hardly matters. The important thing is that as 'P Hess wasn't Hess at all, what was going on in 1941 when 'Hess' flew to Britain?

Thomas offers a scenario - it is little more than that - in which Heinrich Himmler, head of the SS, was trying to displace Hitler. Himmler, suggests Thomas, heard about the (real) Hess's plan to go to Britain to seek peace, shot down Hess's plane and sent the doppelganger 'Hess' instead. This is pretty tentative, as Thomas admits.

Nonetheless Thomas acquired a heavyweight ally during the summer, the Cambridge historian John Zamecica. In one of the more startling book reviews of recent times (*Spectator* 23/7/88) Zamecica drops a few hints about this curious episode. In 1941, says Zamecica,

'many powerful members of British society - political, military, commercial, among others - were dedicated to attaining peace. Losing money and apparently losing the war did not go down well with them. These people faced three problems: Churchill in Britain, Hitler in Germany, and a lack of strong leadership within their ranks.'

This is obviously true: from the point of view of the British ruling class, taking sides with the Bolsheviks against Germany was an absurdity. Yet it is still slightly shocking to read it stated as bluntly as that. Zamecica offers some names in this droll manner:

'Halifax was the man at the centre of this intrigue. He was supported, maybe by the Duke of Buccleuch. And behind them stood, shall we say, Mountbatten . . . imagine that extremely important negotiations took place between the British peace group and the Germans in, say, Co. Down, Ireland ... General Sir Ian Hamilton who had been let us say, deeply involved in previous peace talks.'

But the Hess episode was May 1941: the search for a peace deal with Germany had been going on for a while. Involved in some of it had been the Duke of Windsor. His supporters in the Tory Party included the Imperial Policy Group, whose Secretary/intelligence officer was Kenneth de Courcy. Just before the war de Courcy was running round Europe testing the waters, writing reports for Neville Chamberlain. (1)

'IPG had sought at every level of government to convince the governments of France, Italy, Austria and Spain that, despite official pronouncements, Britain's actual if secret foreign policy was to keep out of all European conflicts in order to give a free hand to Hitler and Mussolini against the Soviet Union.' (2)

This might be true but Higham doesn't actually offer anything like evidence. De Courcy may be an old man, well out of things now, but in the late 1930s he was close to some of Britain's ruling elites. In an issue of his newsletter *Special Office Brief* (2nd April 1987) de Courcy presents an account of some events in 1940 and, in particular, the role of the former Tory Cabinet Minister, the late R. A. B. Butler, then an Under Secretary at the Foreign Office.

In February 1940 Butler received information which made him sure that the French wouldn't fight. (De Courcy is modest: the information came from him.) (3) Without the French, thought Butler, peace had to be made. Butler saw Lord Halifax - who agreed. An envoy was sent to Joseph Kennedy, U. S. Ambassador. An isolationist, Kennedy approved and saw Halifax. De Courcy is vague at this point but, presumably, talks began, avenues explored. Given the limited communications equipment of the period, establishing a reliable and secure back channel into 'the enemy', was no simple task. The state was reading **all** mail in and out of Britain. Then Churchill became Prime Minister in May 1940.

'Churchill then found out and informed both Halifax and Butler that unless they stopped all such discussions he (Churchill) would not hesitate to lock them up ... Amongst those of Butler's views in 1940 were Queen Mary, the Duke of Windsor, the Aga Khan, the Dukes of Buccleuch and Westminster, and Lords Londonderry, Rushcliffe, Philimore etc.'

The Duke of Buccleuch, referred to by Zametica, was the brother-in-law of the Duke of Gloucester (thus a fringe member of the Royal Family). He was Lord Steward of the Royal Household, something like a bureaucratic gate-keeper to a Monarch who still had real power. He was a frequent visitor to Hitler and a friend of the exiled Duke of Windsor, someone else not enthusiastic about the war. (4) In 1940 Buccleuch was removed from his position in the monarchy's administration apparently because of his involvement with attempts to negotiate peace with Hitler. (5) Lord Philimore was in the Imperial Policy Group: Lords Westminster and Londonderry had been members of the Anglo-German Fellowship and The Link.

In de Courcy's narrative Churchill's alleged threat to lock people up was made some time in 1940 between July and December. On becoming Prime Minister in May Churchill had immediately wanted to begin rounding up aliens and suspect persons. (6) Opposition to the proposals came from Sir John Anderson, the Home Secretary, on May 15 and 18 in Cabinet. Then, as Thurlow puts it:

'This resistance was overridden by the implications of the Tyler Kent affair.'

Tyler Kent was a cypher clerk in the American Embassy in London. He had been under MI5 surveillance for some 7 months during which he had made contact with members of the Right Club, the hard-core pro-Nazis in London lead by the dotty Tory MP Captain Ramsay. Kent was arrested on 20th May 1940. It was very convenient for Churchill. The received view is that after Kent's arrest Churchill/MI5 used the Kent-Captain Ramsay connection as evidence of a more organised conspiracy than really existed - a pretext - and the whole lot of them, Mosley's group, Ramsay's group, the remnants of The Link etc, were all rounded up. This version has already been challenged from one direction by Thurlow who shows that there was something going on, though how serious isn't clear; Thurlow makes it sound like a fantasising fascist fringe; and from another by the Gillmans who argue that the treason committed was largely the result of the entrapment of Right Club member Anna Wolkov by MI5. (7) But the truth is we don't know enough yet to say anything positive and the minutes of the Cabinet meeting at which MI5 presented their evidence are still suppressed. Charles Higham, as always, is certain:

Pressed by the Labour Party leader, Clement Attlee, he (Churchill) instantly acted to destroy the entire group that was planning a negotiated peace with Hitler.' (8)

Higham lists the consequences:

- Buccleuch removed from Royal household
- Duke of Westminster warned off
- Mosley, Captain Ramsay and others interned
- Vernon Kell, head of MI5 dismissed
- Blackshirt supporter, Maj General Fuller warned off.

There is just about enough to make more tentative links. Highams tell us that in January 1940 Windsor had flown to London for secret talks: he saw Fuller. (9) Fuller had been part of the secret talks in 1939 between the various splinter groups on the fascist right about peace. (10) One of the participants had been in The Link.

Let's take this speculation further. Tyler Kent had been stealing the secret communications between Roosevelt and Churchill ('Former Naval Person') in which they talked about the coming war. This was dynamite. At home Roosevelt was still publicly an isolationist, would not commit the US to another European War. His talks with Churchill said the opposite and had this correspondence been made public it is probable that Roosevelt would have lost the Presidential election - and the course of the war might have changed.

Kent had been spotted by MI5 through his connections with Anna Wolkov, a member of Captain Ramsay's 'Right Club'. (Wolkov made dresses for, among others, the Duchess of Windsor.) So, one of the leading fans of Hitler in Britain had access to the secret Churchill-Roosevelt correspondence; and had apparently done nothing with it. When Kent was arrested they found 1500 documents in his flat, including the Roosevelt-Churchill correspondence. What were Kent/Ramsay waiting for? Why had the documents not been transmitted to the American media, or given to Anna Wolkov to transmit through her channel to the Italian Ambassador? The published material on this episode is too thin to draw even a tentative conclusion. It is, however, impossible to overstate the danger the Kent-Wolkov connection presented to the Churchill, pro-war, anti-Hitler faction in the British establishment

By June 1940 this series of possibly interlinked manoeuvres against the war was aborted by the new Churchill Cabinet. But new attempts were made. One involved Rudolf Hess, Hitler's deputy, who was also looking for a way to peace. He contacted the intellectual Karl Haushofer who knew a number of prominent British politicians and diplomats personally. In September 1940 Karl and his son Albrecht Haushofer were corresponding with Hess about ways to enter secret negotiations with the British, perhaps through neutral Portugal. (11) On Sept 23 Albrecht Haushofer wrote to one of Karl's pre-war connections, the Duke of Hamilton. But the letter, sent via Lisbon, was intercepted by British intelligence's mail-opening. It apparently took until February for the British authorities to work out from whom the letter, signed just 'A', was from. Then in May 1941 Hess set off to fly to Britain. Thomas shows pretty clearly that the plane and the pilot that took off were not the same pilot and plane that arrived. Somewhere en route a switch had been made.

In the diaries of Joseph Goebbels, Hitler's Minister of Propaganda, there are a number

of entries after Hess's flight to Britain expressing his bafflement that no propaganda was being made with Hess. (Hess was bunged in jail and nothing more was said.) Then on 22nd June 1941 there is this interesting comment:

'The Fuhrer has high hopes of the peace party in England. Otherwise he claims, the Hess Affair would not have been so systematically killed by silence.' (12)

So Hitler, for one, believed in this 'peace party'. Who were they? Zametica has offered some starters.

In America there were parallel attempts to organise a peace. This is described in some detail in Higham's earlier *Trading with The Enemy*. (13) Should we believe Higham? Neither of his two books in this area are adequately documented - perhaps just to keep other researchers off his sources. Higham says, for example:

'In the summer of 1937, according to MI6 files in the Ministry of Defence, London, Bedaux met with the Duke of Windsor, Bedaux's close friend Errol Flynn, Rudolf Hess and Martin Bormann ... At the meeting the Duke promised to help Hess contact the Duke of Hamilton, who had a direct link with Himmler and Kurt von Schroder and the Worms Bank through their common membership in Frank Buchman's Moral Rearmament movement. . .'(14)

(How would he know what is in MI6 files in the MOD?)

A little further on he mentions, without explanation or sourcing,

'the ill-conceived Royalist/Schellenberg/I.G. Farben coup d'etat in which Himmler would take over and permanently restore the monarchy. A representative of Himmler's Gestapo would then meet with Halifax in London to confirm the arrangements for an alliance with Great Britain.' (15)

This, apparently, in 1940. And if all this wasn't muddled enough there is the story in Anthony Masters' *The Man Who was M* that Hess was lured to London by a cunning plot devised by Ian Fleming, using planted fake astrological advice. (16)

None of these fragments are detailed enough to be made much use of. However, taken together, even if some of them are dodgy bits of 'evidence' it is clear that *something* fairly strange was going on. We know someone who helped Highams with research for his *Wallis*. There is much more to come from Mr Hyams. Mr Zametica obviously knows a good deal more than he was willing to put down in the *Spectator*. Kenneth de Courcy knows more than he appears to have committed to print. We await the first stage synthesis and it can't be far off now.

Notes

1. Some of this, some of the contents of those reports, is to be found in brother John De Courcy's *Behind the Battle*, Eyre and Spottiswoode, 1942
2. Charles Higham. *Wallis*, Sidgwick and Jackson, London 1988, p 145
3. Author in a letter to me stated that he had been writing "*secret reports of their*

request for Mr Chamberlain, Sir Stewart Menzies and R. A. B. Butler. Such reports merely dealt with facts largely on French opinion."

4. Richard Griffiths, *Fellow Travellers of the Right*, Oxford University Press, 1980 p363
5. Higham, *Wallis* p239. Hyam's evidence is thin, a clipping in the *New York Times*
6. Richard Thurlow, *Fascism in Britain*, Basil Blackwell, Oxford 1987 p194, quoting Cabinet papers.
7. Peter and Leni Gillman, *Collar the Lot*, Quartet, London, 1980, p37
8. Higham p237
9. Higham p239
10. Thurlow p 181
11. James Douglas Hamilton, *Motive for a Mission*, Corgi, London 1980 ch. 3
12. *The Goebbels Diaries*, edited by Fred Taylor, Sphere, London 1983
13. Robert Hale, London 1983
14. Higham, *Trading With the Enemy*, p180
15. Higham, p194
16. Basil Blackwell, Oxford 1984 pp 126/7

Print

Robin Ramsay

Often referred to in other things is **Israeli Foreign Affairs**, 'an independent monthly report on Israel's diplomatic and military activities world-wide'.

It is 8 pages A4 and though this is not a subject I am interested in, this looks very impressive and is thoroughly documented. September 1988 includes (using IFA's headlines)

- Jerusalem Christian 'embassy' aids Contras
- Israeli Help on New South African Aircraft
- Pentagon Sleaze
- Pipeline Sleaze

etc etc. It's your basic parapolitics methodology (read and collate a hell of a lot) applied to Israel's foreign policy.

It is one of the tragedies of the post-war years that Israel should have lined itself up with all the pariah states - perhaps an unavoidable fate given the nature of the US administration these past 8 years and Israel's dependence on the dollar. Headbangers in Washington produce headbangers in Israel? (Or is it the other way round?)

Subs US/Canada \$20.00

Outside North America add \$6.00 (surface mail), \$10.00 (airmail)

From IFA, PO Box 19580 Sacramento, CA 95819, USA

The Enemy Within

John Jennings
Campaign For Press and Broadcasting Freedom
(£1.50 from CPBF, 9 Poland St, London W1V 3DG)

Jennings wrote a piece about the **Freedom Association** in 1983 and got a writ from them. He began research to back up what he had said and this is a result: 24 A4 (glossy!) pages on the FA, Brian Crozier's political opinions, and the relationship between the *Economist's Foreign Report* and Crozier and Robert Moss; a long and essentially redundant account of what did happen in Chile when Pinochet took over (to rebut Crozier and Moss); and some details on who owns/runs the Freedom Association. It's nicely produced, contains a lot of useful information but has no new revelations. It is essentially part of the thesis of *Lobster* 11. (Not that our version was original...)

And there is one fascinating fragment on the late Ross McWhirter. His father was editor of the *Daily Mail* in the thirties, while it was supporting Mosley. We believe that Ross McWhirter was in the League of Empire Loyalists and there is an allegation - no more as yet - that he was in Mosley's post-war group. This information on his father makes that rumour a little more interesting.

Foreign Literary Intelligence Scene

Bi-monthly; subscription is \$25.00 (US), though there is no indication of an overseas rate. May be best to write and inquire first if outside the US. To: NISC, 1800 K Street NW, Suite 1102 Washington DC 20006.

The only 'perk' we get running *Lobster* is doing exchanges with other magazines. This has recently joined the list. On one issue seen so far this appears to be what you would expect from something published by the NISC (President Ray S. Cline). This is mainstream, (ie by contemporary American standards centre-right) academic, orthodox anti-Communist, anti-Soviet, anti-left material.

The single issue we have carries a long review of a book purporting to show that the Institute for Policy Studies (IPS) is a Soviet front. This may or may not be true: about the IPS' funding I know nothing at all. Nor does it matter much to me. However the fact that the book is trying to substantiate the allegations first made in *The Spike* by Robert Moss and Arnaud de Borchgrave puts me off, as does the fact that the review was first published in the Moonie-owned *Washington Times* - edited now by Arnaud de Borchgrave. These are not recommendations. (The book is *Covert Cadre; Inside the Institute for Policy Studies*, Steven Powell, Green Hill Publishers, Ottawa, Illinois, USA 1987 \$29.95). It sounds like a psy ops job: anybody read it? Incidentally, the attempt to prove IPS Soviet-controlled is part of the story in the pamphlet about the Freedom Association, reviewed in this issue.

Elsewhere the proceedings of a RUSI conference (*British and American Approaches to Intelligence* edited by Ken Robertson) gets praise, and Bob Woodward's *Veil* gets slagged. This is propaganda. Our (ie US, NATO) intelligence services are **good things**; the Soviet version is a **bad thing**. Story ends. But it is nicely done and by the standards of some such isn't too expensive.

The Radical Right: a world directory

Ciaran O Maolain
Longman, London

This is as massive and impressive as it sounds, a fairly mind blowing piece of research. The subject index runs to 69 pages. There will be nits to pick from almost everybody interested in the right, but this is a **world** directory, over 70 countries. The very idea of it is breathtaking.

AMOK: Third Despatch

Illustrated is the subject categories in the most interesting mail order catalogue I have ever seen, with wonderful illustrations on every page. (Were there still such a beast, a whole generation of the British 'underground' press could live off this catalogue's illustrations for several years.) It does have a good deal of parapolitics, mostly under the 'Control' heading but its range is much wider. I opened the thing at random five times and these are the entries I saw first:

- Secrets of Metamphetamine Manufacture
- Men Behind Bars - Sexual Exploitation in Prison
- God and Golem - a comment on certain points where cybernetics impinges on Religion
- Turkish Folk Music from Asia Minor
- Making it Crazy - an ethnology of Psychiatric Clients in an American Community.

Send \$6.00 (if outside the US/Canada) to AMOK, PO Box 875112, Terminal Annex, Los Angeles, CA 90087. (J. G. Ballard would love that 'Terminal Annex'.)

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Researching For The Electronic Spies

Rob Evans

Campaign Against Military Research on Campus (CAMROC)
£3.50 from CAMROC at 190 Burdett Road, London E3 4AA

This report on research contracts in universities and polytechnics funded by GCHQ received substantial coverage in the press. See, for example, the *Observer* (24 July 1988). This is the kind of essential, primary research that should be supported. The group appears to be run on a shoe lace even shorter than usual.

God's Cop: The Biography of James Anderton

Michael Prince

Frederick Muller, London, 1988.

What happened to this one? Did it get any reviews? It should have because the second half of it, an account of the state operation against John Stalker, is important. The first half, about Anderton, would be interesting if the subject were. To me he isn't, he's just an Old Testament puritan. Lots of chief constables used to be like Anderton. I have a 20 year old memory of a Chief Constable of Edinburgh - Merrilees? - whose autobiography included the chapter 'My Battle With the Poofs', describing his great drive against Edinburgh's homosexual men.

The meat is on Stalker, which gives me a problem. I'm no expert on the Stalker affair: I've kept all the clippings but I haven't really read them. Maybe everybody but me knows this stuff already. According to his dust-jacket sketch, author Prince has worked for the *Mail*, *Telegraph*, *Time/Life*, *Sunday Express* - the right-wing press. Perhaps it shouldn't but this fact makes reading a chapter titled "The Plot Against Stalker" that much more interesting.

Prince has a source, a member of Special Branch. He is not named but Prince is sure he's real. (I was too, reading it.) This SB person describes in some detail the attempts to fix Stalker. It was nothing subtle: leaning on hookers to claim Stalker fathered their child; leaning on gay men to etc etc. This conspiracy - with MI5 - followed Stalker around. Alas he was a clean cop. 'Special Branch', as Prince calls him, even claims LSD was put into a drink intended for Stalker - but it got drunk by someone else. 'Special Branch' talks of a contract out on Stalker in Northern Ireland - but Stalker never went back.

Which is all fascinating - horrifying in a sense but absolutely par for the course in another; we are talking about Northern Ireland, after all - but simply allegations. Me, I believe it. But this isn't evidence. Even more interesting to me is the account given by 'Special Branch' of the thinking of our secret state personnel.

"Stalker was becoming a pain to the security agencies, tantamount to a boil on the bum. The general consensus of opinion was that he had to be stopped. The most expedient treatment for a boil is to lance it.

We hold no brief for cowboys, like a few of those who had been involved in some of the shootings, but that wasn't the issue for those who had to

look after national security. If it became necessary to sacrifice the career and the reputation of one man, then that was no big deal. In war, thousands upon thousands of innocent people go to the wall ...

Nobody wanted to frustrate Stalker's murder investigation. Murder is murder. Mitigating circumstances for killing have to be justified in court. We're all on the same side on that subject. But what Stalker couldn't seem to come to terms with was that national security has top priority and rides roughshod - rightfully so - over all other considerations and principles of law enforcement. The Secret Service is a law unto itself and must always remain that way ..." (p 134)

This rings true to me, the genuine intellectually and morally retarded voice of 'national security'. L'etat? C'est nous.

EXTRA!

EXTRA! is the newsletter of FAIR (Fairness and Accuracy In Reporting), a US left/liberal response to AIM (Accuracy In Media). It is edited by Martin A. Lee and its Executive Director is Jeff Cohen. It is 16 pages, A4, beautifully produced, not unlike *Covert Action Information Bulletin*. July/August 1988, the only issue I have seen, included this interesting fragment which gives a sense both of *Extra!* direction and style.

Subs are US/Canada \$24.00; outside US \$36.00 for 6 issues.

Nicaragua's Drug Connection Exposed as Hoax

On July 28 the House Judiciary subcommittee on crime, chaired by Congressman William Hughes (D-NJ), held the first of a series of hearings into whether Reagan administration officials condoned drug smuggling and other criminal activities to further its Central America policy. Among other things, the panel sought to determine if top leaders of the Colombian cocaine cartel escaped arrest because the much ballyhooed "war on drugs" took a back seat to a covert operation designed to discredit the Nicaraguan government - this at a time when the administration was seeking additional aid to the Contras.

CBS Evening News (7-28-88) - the only major network to cover the proceedings - reported on the testimony of DEA agent Ernest Jacobsen, who said that White House officials undermined a DEA probe of the Colombian cocaine kingpins by blowing an undercover informant's cover when they leaked information in an attempt to link Nicaragua to the drug trade. The case against the cartel had been engineered by Barry Seal, a convicted drug dealer turned informant who worked closely with Vice President George Bush's anti-drug task force in Washington.

But the 1984 investigation got derailed when Seal told his handlers that cocaine was being trans-shipped through Nicaragua with the permission of high-level government officials. In an effort to frame the Sandinistas, the CIA installed a hidden camera in Seal's C-130 cargo plane (the same plane, incidentally, that later crashed in Nicaragua leading to the capture of Eugene Hasenfus in October 1986). Seal took a blurry snapshot which purported to show himself with a high-level Nicaraguan official named Federico Vaughn, and a Colombian drug czar unloading bags of cocaine at an

airstrip in Nicaragua.

CBS obtained pages from Col. Oliver North's diary revealing that the former National Security Council aid communicated frequently with the CIA about the sting operation in the weeks before the photo was leaked to the press despite objections from the DEA. The Nicaragua drug story first appeared in the *Washington Times* (7-17-84) and was immediately given big play by all the major papers, wire services and TV networks. President Reagan displayed Seal's photo in a nationally televised speech in March 1986.

But the media showed much less interest when subcommittee chairman Hughes recently disclosed he had new evidence that the entire Sandinista connection was a US intelligence fabrication. Particularly suspicious is the role of Federico Vaughn, the supposed Sandinista official, who appears to have been a US spy all along. An **AP** dispatch (*Omaha World-Herald*, 7-29-88) disclosed that subcommittee staffers called Vaughn's phone number in Managua and spoke to a "domestic employee" who said the house had been "continuously rented" by a US embassy official since 1981. The unnamed embassy official, according to Hughes, was among the group of US officials recently expelled by the Nicaraguan government after a violent political demonstration in July.

No word of the Hughes hearings appeared in the *Washington Post* or the *New York Times*. Instead the *Times* ran a brief item in its Sunday national edition (7-31-88) quoting President Reagan's weekly radio broadcast about how Sandinista officials are still involved in drug trafficking.