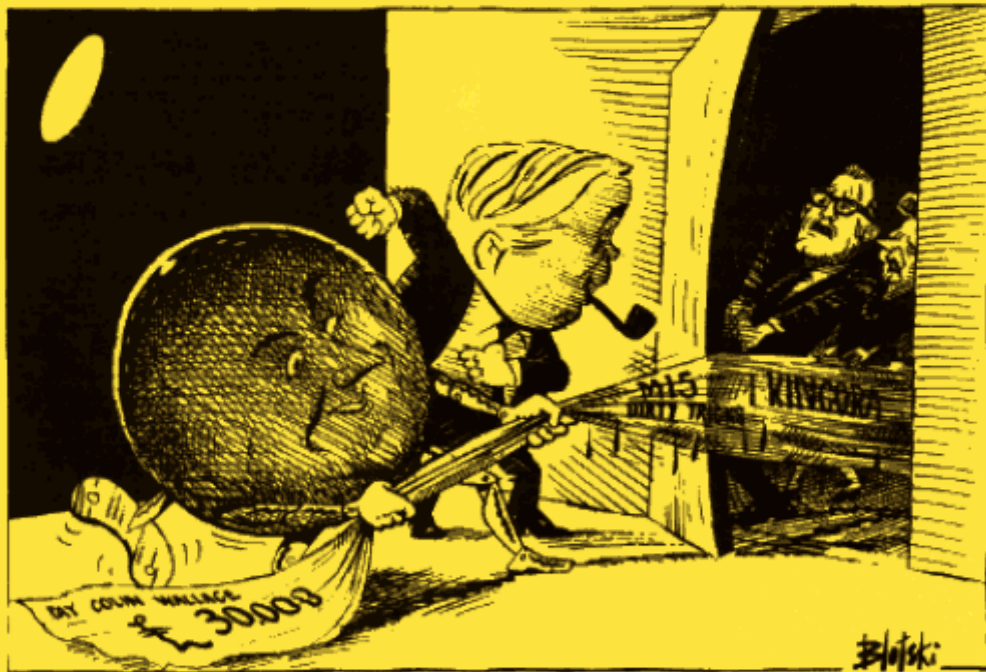


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The United States and the overthrow of Sukarno, 1965-67

Peter Dale Scott

Introduction

On May 20th this year the *San Francisco Examiner* ran a story by Kathy Kadane which began, 'The U.S. government played a significant role in one of the worst massacres of the century by supplying the names of thousands of Communist Party leaders to the Indonesian army, which hunted down the leftists and killed them, former U. S. diplomats say.'

Perhaps 5,000 names were given to the military during the massacres in 1965 which left perhaps 250,000 dead. Somehow Kadane had persuaded a senior CIA agent in Indonesia and his diplomatic boss at the time to talk, on the record. The story was run, briefly, in the British serious press.

A couple of months later Peter Dale Scott passed through Britain and rang me. I mentioned the Kadane piece, how interesting it was in the light of his essay some years before on US involvement in the 1965 coup and massacres, and suggested we print it. A shorter version of this essay appeared in the relatively obscure *Pacific Affairs* some years ago and this year in a Dutch-language collection, *The United States and the Overthrow of Sukarno*, which, because of Scott's essay, was banned by the Indonesian government.

Scott's essay is a classic demonstration of parapolitics as a subject area - the presence of covert, intelligence agency activity beneath the surface account of politics, and as a methodology -reconstituting reality from an extraordinary mass of detail.

Robin Ramsay

In this short paper on a huge and vexed subject, I discuss the U.S. involvement in the bloody overthrow of Indonesia's President Sukarno, 1965-67. The whole story of that ill-understood period would transcend even the fullest possible written analysis. Much of what happened can never be documented; and of the documentation that survives much is both controversial and unverifiable. The slaughter of Sukarno's left-wing allies was a product of widespread paranoia as well as of conspiratorial policy; and represents a tragedy beyond the intentions of any single group or coalition. Nor do I wish to suggest that in 1965 the only provocations and violence came from the right-wing Indonesian military, their contacts in the United States, or (also important, but barely touched on here) their mutual contacts in British and Japanese intelligence.

And yet, after all this has been said, the complex and ambiguous story of the Indonesian bloodbath is also at its center simpler and easier to believe than the public version inspired by President Suharto and U.S. government sources. Their problematic claim is that in the so-called Gestapu coup attempt of September 30, 1965 (when six senior Army generals were murdered), the left attacked the right, leading to a

restoration of power, and punitive purge of the left, by the center.(1) I shall argue instead that, by inducing, or at a minimum helping to induce, the Gestapu 'coup', the right in the Indonesian Army eliminated its rivals at the army's center, thus paving the way to a long-planned elimination of the civilian left, and eventually to the establishment of a military dictatorship.(2) Gestapu in other words was only the first phase of a three-phase right-wing coup, one which had been both publicly encouraged and secretly assisted by U.S. spokesmen and officials.(3)

Before turning to U.S. involvement in what the CIA itself has called 'one of the worst mass murders of the twentieth century',(4) let us recall what actually led up to it. According to the Australian scholar Harold Crouch, by 1965 the Indonesian Army General Staff was split into two camps. At the center were the General Staff officers appointed with, and loyal to, the Army Commander General Yani, who in turn was reluctant to challenge President Sukarno's policy of national unity in alliance with the Indonesian Communists, or PKI. The second group, including the right-wing generals Nasution and Suharto, comprised those opposed to Yani and his Sukarnoist policies.(5) All of these generals were anti-PKI, but by 1965 the divisive issue was Sukarno.

The simple (yet untold) story of Sukarno's overthrow is that in the fall of 1965 Yani and his inner circle were murdered, paving the way for a seizure of power by right-wing anti-Yani forces allied to Suharto. The key to this was the so-called Gestapu coup attempt of September 30, 1965, which in the name of supporting Sukarno, in fact targeted very precisely the leading members of the Army's most loyal faction, the Yani group.(6) An Army unity meeting in January 1965, between Yani's inner circle and those (including Suharto) who 'had grievances of one sort or another against Yani', lined up the victims of September 30 against those who came to power after their murder.(7)

Not one anti-Sukarno general was targeted by Gestapu, with the obvious exception of General Nasution.(8) But by 1961 the CIA operatives had become disillusioned with Nasution as a reliable asset, after because of his 'consistent record of yielding to Sukarno on several major counts'.(9) Relations between Suharto and Nasution were also cool, since Nasution, after investigating Suharto on corruption charges in 1959, had transferred him from his command.(10)

The duplicitous distortions of reality, first by Lt. Colonel Untung's statements for Gestapu, and then by Suharto in 'putting down' Gestapu, are mutually supporting lies.(11) Untung, on October 1, announced ambiguously that Sukarno was under Gestapu's 'protection' (he was not); also, that a CIA-backed Council of Generals had planned a coup for before October 5, and had for this purpose brought 'troops from East, Central, and West Java' to Jakarta.(12) Indeed troops from these areas had been brought to Jakarta for an Armed Forces Day parade on October 5th. Untung did not mention, however, that 'he himself had been involved in the planning for the Armed Forces Day parade and in selecting the units to participate in it';(13) nor that these units (which included his own former battalion, the 454th) supplied most of the allies for his new battalion's Gestapu activities in Jakarta.

Suharto's first two broadcasts reaffirmed the Army's constant loyalty to 'Bung Karno the Great Leader;' and also blamed the deaths of the six generals on PKI youth and women, plus 'elements of the Air Force' -- on no other evidence than the site of the well where the corpses were found.(14) At this time he knew very well that the

killings had in fact been carried out by the very army elements Untung referred to, elements under Suharto's own command.(15)

Thus whatever the motivation of individuals such as Untung in the Gestapu putsch, Gestapu as such was duplicitous. Both its rhetoric and above all its actions were not simply inept; they were carefully designed to prepare for Suharto's equally duplicitous response. For example, Gestapu's decision to guard all sides of the downtown Merdeka Square in Jakarta, *except* that of Suharto's KOSTRAD [Army Strategic Reserve Command] headquarters, is consistent with Gestapu's decision to target the only Army generals who might have challenged Suharto's assumption of power. Again, Gestapu's announced transfer of power to a totally fictitious 'Revolutionary Council,' from which Sukarno had been excluded, allowed Suharto in turn to masquerade as Sukarno's defender while in fact preventing him from resuming control. More importantly, Gestapu's gratuitous murder of the generals near the Air Force base where PKI youth had been trained allowed Suharto, in a Goebbels-like manoeuvre, to transfer the blame for the killings from the troops under his own command (whom he knew had carried out the kidnappings) to Air Force and PKI personnel who were ignorant of them.(16)

From pro-Suharto sources -- notably the CIA study of Gestapu published in 1968 -- we learn how few troops were involved in the alleged Gestapu rebellion, and more importantly, that in Jakarta as in Central Java, the same battalions that supplied the 'rebellious' companies were also used to 'put the rebellion down'. Two thirds of one paratroop Brigade (which Suharto had inspected the previous day) plus one company and one platoon constituted the whole of Gestapu forces in Jakarta, all but one of these units were commanded by present or former Diponegoro Division officers close to Suharto; and the last was under an officer who obeyed Suharto's close political ally Basuki Rachmat.(17)

Two of these companies, from the 454th and 530th Battalions, were elite raiders, and from 1962 these units had been among the main Indonesian recipients of U.S. assistance.(18) This fact, which in itself proves nothing, increases our curiosity about the many Gestapu leaders who had been U.S.-trained. The Gestapu leader in Central Java, Saherman, had returned from training at Fort Leavenworth and Okinawa, shortly before meeting with Untung and Major Sukirno of the 454th Battalion in mid-August 1965.(19) As Ruth McVey has observed, Saherman's acceptance for training at Fort Leavenworth 'would mean that he had passed review by CIA observers'.(20)

Thus there is continuity between the achievements of both Gestapu and the response to it by Suharto, who in the name of defending Sukarno and attacking Gestapu continued its task of eliminating the pro-Yani members of the Army General Staff, along with such other residual elements of support for first Yani and then Sukarno as remained.(21)

The biggest part of this task was of course the elimination of the PKI and its supporters, in a bloodbath which, as some Suharto allies now concede, may have taken more than a half million lives. These three events -- Gestapu, Suharto's response, and the bloodbath -- have nearly always been presented in this country as separately motivated: Gestapu being described as a plot by leftists, and the bloodbath as, for the most part, an irrational act of popular frenzy.

U.S. officials, journalists and scholars, some of them with rather prominent CIA connections, are perhaps principally responsible for the myth that the bloodbath was a

spontaneous, popular revulsion to what U.S. Ambassador Jones later called PKI 'carnage.' (22) Although the PKI certainly contributed its share to the political hysteria of 1965, Crouch has shown that subsequent claim's of a PKI terror campaign were grossly exaggerated. (23) In fact systematic killing occurred under army instigation in staggered stages, the worst occurring as Colonel Sarwo Edhie's RPKAD [Army Paracommando Regiment] moved from Jakarta to Central and East Java, and finally Bali. (24) Civilians involved in the massacre were either recruited and trained by the army on the spot, or were drawn from groups (such as the Army- and CIA-sponsored SOKSI trade unions [Central Organization of Indonesian Socialist Employees], and allied student organizations) that had collaborated for years with the Army on political matters. It is clear from Sundhaussen's account that in most of the first areas of organized massacre (North Sumatra, Aceh, Cirebon, the whole of Central and East Java), there were local army commanders with especially strong and proven anti-PKI sentiments. Many of these had for years cooperated with civilians, through so-called 'civic action' programs sponsored by the United States, in operations directed against the PKI and sometimes Sukarno. Thus one can legitimately suspect conspiracy in the fact that anti-PKI 'civilian responses' began on October 1, when the army began handing out arms to Muslim students and unionists, before there was any publicly available evidence linking Gestapu to the PKI. (25)

Even Sundhaussen, who downplays the Army's role in arming and inciting the civilian murder bands, concludes that, whatever the strength of popular anti-PKI hatred and fear, 'without the Army's anti-PKI propaganda the massacre might not have happened.' (26) I shall go further and argue that Gestapu, Suharto's response, and the bloodbath were part of a single coherent scenario for a military takeover, a scenario which was again followed closely in Chile in the years 1970-73 (and to some extent in Cambodia in 1970). (27)

Suharto of course would be a principal conspirator in this scenario: his duplicitous role of posing as a defender of the constitutional status quo, while in fact moving deliberately to overthrow it, is analogous to that of General Pinochet in Chile. But a more direct role in organizing the bloodbath was played by civilians and officers close to the cadres of the CIA's failed rebellion of 1958, now working in so-called 'civic action' programs funded and trained by the United States. Necessary ingredients of the scenario had to be, and clearly were, supplied by other nations in support of Suharto. Many such countries appear to have played such a supporting role: Japan, Britain, Germany, (28) possibly Australia. But I wish to focus on the encouragement and support for military putschism and mass murder which came from the U.S., from the CIA, the military, RAND, the Ford Foundation, and individuals. (29)

The United States and the Indonesian Army's 'Mission'

It seems clear that from as early as 1953 (30) the U.S. was interested in helping to foment the regional crisis in Indonesia, which is recognized as the 'immediate cause' inducing Sukarno, on March 14, 1957, to proclaim martial law, and bring 'the officer corps legitimately into politics'. (31) By 1953 (if not earlier) the U.S. National Security Council had already adopted one of a series of policy documents calling for 'appropriate action, in collaboration with other friendly countries, to prevent permanent communist control' of Indonesia. (32) Already NSC 171/1 of that year envisaged military training as a means of increasing U.S. influence, even though the CIA's primary efforts were directed towards right-wing political parties ('moderateson the right,' as NSC 171 called them): notably the Masjumi and the PSI Socialist

Parties. The millions of dollars which the CIA poured into the Masjumi and PSI in the mid-1950s were a factor influencing the events of 1965, when a former PSI member -- Sjam -- was the alleged mastermind of Gestapu, (33) and PSI-leaning officers -- notably Suwanto and Sarwo Edhie -- were prominent in planning and carrying out the anti-PKI response to Gestapu. (34)

In 1957-58, CIA infiltrated arms and personnel in support of the PRRI-Permesta regional rebellions against Sukarno. These operations were nominally covert, even though an American plane and pilot were captured, and the CIA efforts were accompanied by an offshore task force of the U.S. Seventh Fleet. (35) In 1975 a Senate Select Committee studying the CIA discovered what it called 'some evidence of CIA involvement in plans to assassinate President Sukarno'; but, after an initial investigation of the November 1957 assassination attempt at Cikini, the Committee did not pursue the matter. (36)

On August 1, 1958, after the failure of the CIA-sponsored PRRI-Permesta regional rebellions against Sukarno, the U.S. began an upgraded military assistance program to Indonesia in the order of \$20 million a year. (37) A U.S. Joint Chiefs of Staff memo of 1958 makes it clear this aid was given to the Indonesian Army ('the only non-Communist force. . . with the capability of obstructing the . . . PKI') as 'encouragement' to Nasution to 'carry out his 'plans for the control of Communism.' (38)

The JCS had no need to spell out Nasution's 'plan,' to which other documents at this time make reference. (39) It could only imply the tactics for which Nasution had distinguished himself (in American eyes) during the crushing of the PKI in the Madiun Affair of 1948: mass murders and mass arrests, at a minimum of the party's cadres, possibly after an Army provocation. (40) Nasution confirmed this in November 1965 when he called for the total extinction of the PKI, 'down to its very roots so there will be no third Madiun.' (41)

By 1958, however, the PKI had emerged as the largest mass movement in the country. It is in this period that a small group of U.S. academic researchers in Air Force- and CIA-subsidized 'think tanks' began pressuring their contacts in the Indonesian military publicly, often through U.S. scholarly journals and presses, to seize power and liquidate the PKI opposition. (42) The most prominent example is Guy Pauker, who in 1958 both taught at the University of California at Berkeley and served as a consultant at the RAND Corporation. In the latter capacity he maintained frequent contact with what he himself called 'a very small group' of PSI intellectuals and their friends in the Army. (43)

In a RAND Corporation book published by the Princeton University Press, Pauker urged his contacts in the Indonesian military to assume 'full responsibility' for their nation's leadership 'fulfill a mission,' and hence 'to strike, sweep their house clean'. (44) Although I do not wish to imply that Pauker intended anything like the scale of bloodbath which eventually ensued, there is no escaping the fact that 'mission' and 'sweep clean' were buzz-words for counter-insurgency and massacre, and as such were used frequently before and during the coup. The first murder order, by military officers to Muslim students in early October, was the word *sikat*, meaning 'sweep,' 'clean out,' 'wipe out,' or 'massacre'. (45)

Pauker's closest friend in the Indonesian army was the U.S.-trained General Suwanto,

who played an important part in the conversion of the army from a revolutionary to a counter-insurgency function. In the years after 1958, Suwanto built the Indonesian Army Staff and Command School in Bandung (SESKOAD) into a training-ground for the takeover of political power. SESKOAD in this period became a focal point of attention from the Pentagon, the CIA RAND, and (indirectly) the Ford Foundation. (46)

Under the guidance of Nasution and Suwanto, SESKOAD developed a new strategic doctrine, that of Territorial Warfare (in a document translated into English by Pauker), which gave priority to counter-insurgency as the army's role. Especially after 1962, when the Kennedy Administration aided the Indonesian Army in developing Civic Mission or 'civic action' programs, this meant the organization of its own political infrastructure, or Territorial Organization, reaching in some cases down to the village level. (47) As the result of an official U.S. State Department recommendation in 1962, which Pauker helped write, a special U.S. MILTAG (Military Training Advisory Group) was set up in Jakarta, to assist in the implementation of SESKOAD's Civic Mission programs. (48)

SESKOAD also trained the Army officers in economics and administration, and thus virtually to operate as a para-state, independent of Sukarno's government. Thus the Army began to collaborate, and even sign contracts, with U.S. and other foreign corporations in areas which were now under the Army's control. This training program was entrusted to officers and civilians close to the PSI. (49) U.S. officials have confirmed that the civilians, who themselves were in a training program funded by the Ford Foundation, became involved in what the U.S. military attaché called 'contingency planning' to prevent a PKI takeover. (50)

But the most significant focus of U.S. training and aid was the Territorial Organization's increasing liaison with

'the civilian administration, religious and cultural organizations, youth groups, veterans, trade unions, peasant organizations, political parties and groups at regional and local levels.' (51)

These political liaisons with civilian groups provided the structure for the ruthless suppression of the PKI in 1965, including the bloodbath. (52)

Soon these army and civilian cadres were together plotting disruptive activities, such as the Bandung anti-Chinese riots of May 1963, which embarrassed, not just the PKI, but Sukarno himself. Chomsky and Herman report that 'Army-inspired anti-Chinese pogroms that took place in West Java in 1959 were financed by U.S. contributions to the local army commander'; apparently CIA funds were used by the commander (Colonel Kosasih) to pay local thugs in what Mozingo calls 'the army's (and probably the Americans') campaign to rupture relations with China.' (53) The 1963 riot, which took place in the very shadow of SESKOAD, is linked by Sundhaussen to an army 'civic action' organization; and shows conspiratorial contact between elements (an underground PSI cell, PSI- and Masjumi-affiliated student groups, and General Ishak Djuarsa of the Siliwangi Division's 'civic action' organization) that would all be prominent in the very first phase of Suharto's so-called 'response' to Gestapu. (54) The May 1963 student riots were repeated in October 1965 and (especially in Bandung) January 1966, at which time the liaison between students and the army was largely in the hands of PSI-leaning officers like Sarwo Edhie and Kemal Idris. (55) The CIA

Plans Directorate were sympathetic to the increasing deflection of a nominally anti-PKI operation into one embarrassing Sukarno. This turn would have come as no surprise: Suwanto, Kemal Idris and the PSI had been prominent in a near coup (the so-called 'Lubis affair') in 1956. (56)

But increasingly Suwanto cultivated a new student, Colonel Suharto, who arrived at SESKOAD in October 1959. According to Sundhaussen, a relatively pro-Suharto scholar,

In the early 1960s Soeharto [Suharto] was involved in the formulation of the Doctrine of Territorial Warfare and the Army's policy on Civic Mission (that is, penetration of army officers into all fields of government activities and responsibilities). (57)

Central to the public image of Gestapu and Suharto's response is the much-publicized fact that Suharto, unlike his sometime teacher Suwanto, and his long-time chief of staff Achmad Wiranatakusuma, had never studied in the United States. But his involvement in Civic Mission (or what Americans called 'civic action') located him along with PSI-leaning officers at the focal point of U.S. training activities in Indonesia, in a program which was nakedly political. (58)

The refinement of Territorial Warfare and Civic Mission Doctrine into a new strategic doctrine for Army political intervention became by 1965 the ideological process consolidating the Army for political takeover. After Gestapu, when Suwanto was an important political advisor to his former SESKOAD pupil Suharto, his strategic doctrine was the justification for Suharto's announcement on August 15, 1966, in fulfilment of Pauker's public and private urgings, that the Army had to assume a leading role in all fields. (59)

Hence the army unity meeting of January 1965, arranged after Suharto had duplicitously urged Nasution to take 'a more accommodating line' (60) towards Sukarno, was in fact a necessary step in the process whereby Suharto effectively took over from his rivals Yani and Nasution. It led to the April 1965 seminar at SESKOAD for a compromise army strategic doctrine, the Tri Ubaya Cakti, which 'reaffirmed the army's claim to an independent political role.' (61) On August 15, 1966, Suharto, speaking to the nation, justified his increasing prominence in terms of the 'Revolutionary Mission' of the Tri Ubaya Cakti doctrine. Two weeks later at SESKOAD the Tri Ubaya Cakti doctrine was revised, at Suharto's instigation, but in a setting 'carefully orchestrated by Brigadier Suwanto', to embody still more clearly Pauker's emphasis on the army's 'Civic Mission' or counter-revolutionary role. (62) This 'Civic Mission,' so important to Suharto, was also the principal goal and fruit of U.S. military aid to Indonesia.

By August 1964, moreover, Suharto had initiated political contacts with Malaysia, and hence eventually with Japan, Britain, and the United States. (63) Although the initial purpose of these contacts may have been to head off war with Malaysia, Sundhaussen suggests that Suharto's motive was his concern, buttressed in mid-1964 by a KOSTRAD intelligence report, about PKI political advances. (64) Mrazek links the peace feelers to the withdrawal of 'some of the best army units' back to Java in summer, 1965. (65) These movements, together with earlier deployment of a politically insecure Diponegoro battalion in the other direction, can also be seen as preparations for the seizure of power. (66)

In Nishihara's informed Japanese account, former PRRI/Permesta personnel with intelligence connections in Japan were prominent in these negotiations, along with Japanese officials. (67) Nishihara also heard that an intimate ally of these personnel, Jan Walandouw, who may have acted as a CIA contact for the 1958 rebellion, later again 'visited Washington and advocated Suharto as a leader'. (68) I am reliably informed that Walandouw's visit to Washington on behalf of Suharto was made some months before Gestapu. (69)

The U.S. Moves Against Sukarno

Many people in Washington, especially in the CIA Plans Directorate, had long desired the 'removal' of Sukarno as well as of the PKI. (70) By 1961 key policy hard-liners, notably Guy Pauker, had also turned against Nasution. (71) Nevertheless, despite last-minute memoranda from the outgoing Eisenhower Administration which would have opposed 'whatever regime' in Indonesia was 'increasingly friendly toward the Sino-Soviet bloc', the Kennedy Administration eventually stepped up aid to both Sukarno and the Army. (72)

However Lyndon Johnson's accession to the presidency was followed almost immediately by a shift to a more anti-Sukarnoist policy. This is clear from Johnson's decision in December 1963 to withhold economic aid which (according to Ambassador Jones) Kennedy would have supplied 'almost as a matter of routine'. (73) This refusal suggests that the U.S. aggravation of Indonesia's economic woes in 1963-1965 was a matter of policy rather than inadvertence. Indeed, if the CIA's overthrow of Allende is a relevant analogy, then one would expect someday to learn that the CIA, through currency speculations and other hostile acts, contributed actively to the radical destabilization of the Indonesian economy in the weeks just before the coup, when

the price of rice quadrupled between June 30 and October 1, and the black market price of the dollar skyrocketed, particularly in September. (74)

As in the case of Chile, the gradual cut-off of all economic aid to Indonesia in the years 1962-65 was accompanied by a shift in military aid to friendly elements in the Indonesian Army: U.S. military aid amounted to \$39.5 million in the four years 1962-65 (with a peak of \$16.3 million in 1962) as opposed to \$28.3 million for the thirteen years 1949-61. (75) After March 1964, when Sukarno told the U.S. to 'go to hell with your aid', it became increasingly difficult to extract any aid from the U.S. Congress: those persons not witting to what was developing found it hard to understand why the U.S. should help arm a country which was nationalizing U.S. economic interests, and using immense aid subsidies from the Soviet Union to confront the British in Malaysia.

Thus a public image was created that under Johnson 'all United States aid to Indonesia was stopped', a claim so buttressed by misleading documentation that competent scholars have repeated it. (76) In fact Congress had agreed to treat U.S. funding of the Indonesian military (unlike aid to any other country) as a covert matter, restricting Congressional review of the President's determinations on Indonesian aid to two Senate Committees, and the House Speaker, who were concurrently involved in CIA oversight. (77) Ambassador Jones' more candid account admits that 'suspension' meant

the U.S. government undertook no new commitments of assistance,

although it continued with ongoing programs.... By maintaining our modest assistance to [the Indonesian Army and the police brigade], we fortified them for a virtually inevitable showdown with the burgeoning PKI. (78)

Only from recently released documents do we learn that new military aid was en route as late as July 1965, in the form of a secret contract to deliver 200 Aero-Commanders to the Indonesian Army: these were light aircraft suitable for use in 'civic action' or counter-insurgency operations, presumably by the Army Flying Corps whose senior officers were virtually all trained in the U.S. (79) By this time the publicly admitted U.S. aid was pretty much limited to the completion of an army communications system and to 'civic action' training. It was by using the army's new communications system, rather than the civilian system in the hands of Sukarno loyalists, that Suharto on October 1, 1965, was able to implement his swift purge of Sukarno-Yani loyalists and leftists, while 'civic action' officers formed the hard core of lower-level Gestapu officers in Central Java. (80)

Before turning to the more covert aspects of U.S. military aid to Indonesia in 1963-65, chiefly through the channeling of so-called 'sales commissions' or political payoffs to Suharto's financial backers, let us review the overall changes in U.S.-Indonesian relations. Economic aid was now in abeyance, and military aid tightly channeled so as to strengthen the Army domestically. U.S. government funding had obviously shifted from the Indonesian State to one of its least loyal components. As a result of agreements beginning with martial law in 1957, but accelerated by the U.S.-negotiated oil agreement of 1963, we see exactly the same shift in the flow of payments from U.S. oil companies. Instead of token royalties to the Sukarno government, the two big U.S. oil companies in Indonesia, Stanvac and Caltex, now made much larger payments to the Army's oil company, Pertamina, headed by an eventual political ally of Suharto, General Ibnu Sutowo; and a second company, Pertamina, headed by the anti-PKI and pro-U.S. politician, Chaerul Saleh. (81) After Suharto's overthrow of Sukarno, *Fortune* wrote that 'Sutowo's still small company played a key part in bankrolling those crucial operations, and the army has never forgotten it.' (82)

U.S. Support for the Suharto Faction Before Gestapu

American officials commenting on the role of U.S. aid in this period have taken credit for assisting the anti-communist seizure of power, without ever hinting at any degree of conspiratorial responsibility in the planning of the bloodbath. The impression created is that U.S. officials remained aloof from the actual planning of events; and we can see from recently declassified cable traffic how carefully the U.S. government fostered this image of detachment from what was happening in Indonesia. (83)

In fact, however, the U.S. government was lying about its involvement. In Fiscal Year 1965, a period when the *New York Times* claimed 'all United States aid to Indonesia was stopped', the number of MAP (Military Assistance Program) personnel in Jakarta actually increased, beyond what had been projected, to an unprecedented high. (84) According to figures released in 1966, MAP deliveries and personnel strengths in Indonesia were actually as follows: (85)

Fiscal Year	Deliveries	MAP Personnel Strength		
		Military	Civilian	Total

F63	\$13,900,000	30	-	30
F64	\$7,200,000	29	-	29
F65	\$1,100,000	32	15	47

Whether or not one doubts that aid deliveries fell off as sharply as this table would suggest, the MILTAG personnel figures indicate that their 'civic action' program was being escalated, not decreased. (86)

We have seen that some months before Gestapu a Suharto emissary with past CIA connections (Colonel Jan Walandouw) made contact with the U.S. Government. From as early as May 1965 U.S. military suppliers with CIA connections (principally Lockheed) were negotiating equipment sales with payoffs to middlemen, in such a way as to generate payoffs to backers neither of Nasution nor of Yani (the titular leaders of the armed forces), but instead of the hitherto little known leader of a third faction in the army, Major-General Suharto. Only in the last year has it been confirmed that secret funds administered by the US Air Force (possibly on behalf of the CIA) were laundered as 'commissions' on sales of Lockheed equipment and services, in order to make political payoffs to the military personnel of foreign countries. (87)

A 1976 Senate investigation into these payoffs revealed, almost inadvertently, that in May 1965, over the legal objections of Lockheed's counsel, Lockheed commissions in Indonesia had been redirected to a new contract and company set up by Lockheed's long-time local agent or middleman. (88) Lockheed internal memos at the time show no reasons for the change, but a later memo reports from the Economic Counselor of the U.S. Embassy in Jakarta that there were 'some political considerations behind it'. (89) If this is true, it would suggest that in May 1965, five months before the coup, Lockheed had redirected its payoffs to a new political eminence, at the risk (as its Assistant Chief Counsel pointed out) of being sued for default on its former contractual obligations.

The Indonesian middleman, August Munir Dasaad, was 'known to have assisted Sukarno financially since the 1930s.' (90) In 1965, however, Dasaad was building connections with the Suharto forces, via a family relative, General Alamsjah, who had served briefly under Suharto in 1960, after Suharto completed his term at SESKOAD. Via the new contract, Lockheed, Dasaad and Alamsjah were apparently hitching their wagons to Suharto's rising star:

When the coup was made during which SuhaMo replaced Sukarno, Alamsjah, who controlled certain considerable funds, at once made these available to Suharto, which obviously earned him the gratitude of the new President. In due course he was appointed to a position of trust and confidence and today Alamsjah is, one might say, the second important man after the President. (91)

Thus in 1966 the U.S. Embassy advised Lockheed it should 'continue to use' the Dasaad-Alamsjah-Suharto connection. (92)

In July 1965, at the alleged nadir of U.S.-Indonesian aid relations, Rockwell-Standard had a contractual agreement to deliver 200 light-aircraft (Aero-Commanders) to the Indonesian Army (not the Air Force) in the next two months. (93) Once again the commission agent on the deal, Bob Hasan, was a political associate (and eventual

business partner) of Suharto. (94) More specifically Suharto and Bob Hasan established two shipping companies to be operated by the Central Java army division, Diponegoro. The Diponegoro Division, as has been long noticed, supplied the bulk of the personnel on both sides of the Gestapu coup drama -- both those staging the coup attempt, and those putting it down; and one of the three leaders in the Central Java Gestapu Movement was Lt. Col. Usman Sastrodibroto, chief of the Diponegoro Division's 'section dealing with extramilitary functions'. (95)

Thus of the two known U.S. military sales contracts from the eve of the Gestapu putsch, both involve political payoffs to persons who emerged after Gestapu as close Suharto allies. This traditional channel for CIA patronage suggests that the U.S. was not at arms length from the ugly political developments of 1965, despite the public indications, from both government spokesmen and the U.S. business press, that Indonesia was now virtually lost to Communism and nothing could be done about it.

The actions of U.S. business, moreover, make it clear that by early 1965 they expected a significant boost to the U.S. standing in Indonesia. For example, a recently declassified cable reveals that Freeport Sulphur had by April 1965 reached a preliminary 'arrangement' with Indonesian officials for what would become a \$500 million investment in West Papua copper. This gives the lie to the public claim that the company did not initiate negotiations with Indonesians (the inevitable Ibnu Sutowo) until February 1966. (96) And in September 1965, shortly after *World Oil* reported that 'Indonesia's gas and oil industry appeared to be slipping deeper into the political morass', (97) the President of a small oil company (Asamera) in a joint venture with Ibnu Sutowo's Permina purchased \$50,000 worth of shares in his own ostensibly threatened company. (98) Ironically this double purchase (on September 9 and September 21) was reported in the *Wall Street Journal* of September 30, 1965, the day of Gestapu.

The CIA's '[One Word Deleted] Operation in' 1965.

Less than a year after Gestapu and the bloodbath, James Reston wrote appreciatively about them as 'A Gleam of Light in Asia':

Washington is being careful not to claim any credit for this change in the sixth most populous and one of the richest nations in the world, but this does not mean that Washington had nothing to do with it. There was a great deal more contact between the anti-Communist forces in that country and at least one very high official in Washington before and during the Indonesian massacre than is generally realized. (99)

As for the CIA in 1965, we have the testimony of former CIA officer Ralph McGehee, curiously corroborated by the selective censorship of his former CIA employers:

Where the necessary circumstances or proofs are lacking to support U.S. intervention, the C.I.A. creates the appropriate situations or else invents them and disseminates its distortions worldwide via its media operations.

A prominent example would be Chile.... Disturbed at the Chilean military's unwillingness to take action against Allende, the C.I.A. forged a document purporting to reveal a leftist plot to murder Chilean military leaders. The discovery of this 'plot' was headlined in the media and

Allende was deposed and murdered.

There is a similarity between events that precipitated the overthrow of Allende and what happened in Indonesia in 1965. Estimates of the number of deaths that occurred as a result of the latter C.I.A. [one word deleted] operation run from one-half million to more than one million people. (100)

McGehee claims to have once seen, while reviewing CIA documents in Washington, a highly classified report on the Agency's role in provoking the destruction of the PKI after Gestapu. It seems appropriate to ask for Congressional review and publication of any such report. If as alleged it recommended such murderous techniques as a model for future operations, it would appear to document a major turning point in the Agency's operational history: towards the systematic exploitation of the death squad operations which, absent during the Brazilian coup of 1964, made the Vietnam Phoenix counterinsurgency program notorious after 1967; and after 1968 spread from Guatemala to the rest of Latin America. (101)

McGehee's claims of a CIA psychological warfare operation against Allende are corroborated by Tad Szulc:

CIA agents in Santiago assisted Chilean military intelligence in drafting bogus Z-plan documents alleging that Allende and his supporters were planning to behead Chilean military commanders. These were issued by the junta to justify the coup. (102)

Indeed the CIA deception operations against Allende appear to have gone even farther, terrifying both the left and the right with the fear of incipient slaughter by their enemies. Thus militant trade-unionists as well as conservative generals in Chile received small cards printed with the ominous words *Djakarta se acerca* (Jakarta is approaching). (103)

This is a model destabilization plan -- to persuade all concerned that they no longer can hope to be protected by the status quo, and hence weaken the center, while inducing both right and left towards more violent provocation of each other. Such a plan appears to have been followed in Laos in 1959-61, where a CIA officer explained to a reporter that the aim 'was to polarize Laos.' (104) It appears to have been followed again in Indonesia in 1965. Observers like Sundhaussen confirm that to understand the coup story of October 1965 we must look first of all at the 'rumour market' which 'in 1965. . . turned out the wildest stories'. (105) On September 14, two weeks before the coup, the Army was warned that there was a plot to assassinate Army leaders four days later; a second such report was discussed at Army headquarters on September 30. (106) But a year earlier an alleged PKI document, which the PKI denounced as a forgery, had purported to describe a plan to overthrow 'Nasutionists' through infiltration of the Army. This 'document', which was reported in a Malaysian newspaper after being publicized by the pro-U.S. politician Chaerul Saleh (107) in mid-December 1964, must have lent credence to Suharto's call for an army unity meeting the next month. (108)

The army's anxiety was increased by rumors, throughout 1965, that mainland China was smuggling arms to the PKI for an imminent revolt. Two weeks before Gestapu a story to this effect also appeared in a Malaysian newspaper, citing Bangkok sources

relying in turn on Hong Kong. (109) Such international untraceability is the stylistic hallmark of stories emanating in this period from what CIA insiders called their 'mighty Wurlitzer,' the world-wide network of press 'assets' through which the CIA, or sister agencies such as Britain's MI-6, could plant unattributable stories. (110) PKI demands for a popular militia or 'fifth force' and the training of PKI youth at Lubang Buaja, seemed much more sinister to the Indonesian Army in the light of the Chinese arms stories.

But for months before the coup the paranoia of the PKI had also been played on, by recurring reports that a CIA-backed 'Council of Generals' was plotting to suppress the PKI. It was this mythical Council, of course, that Untung announced as the target of his allegedly anti-CIA Gestapu coup. But such rumors did not just originate from anti-American sources; on the contrary, the first authoritative published reference to such a Council was in a column of the Washington journalists Evans and Novak:

As far back as March, General Ibrahim Adjie, commander of the Siliwangi Division, had been quoted by two American journalists as saying of the Communists: 'we knocked them out before [at Madiun]. We check them and check them again. The same journalists claimed to have information that '..... the Army has quietly established an advisory commission of five general officers to report to General Yani and General Nasution on PKI activities.'(111)

The Australian scholar Mortimer has noted as 'possibly significant' the coincidence that five generals besides Yani were killed by Gestapu.

But we should also be struck by the revival in the United States of the image of Yani and Nasution as anti-PKI planners, long after the CIA and U.S. press stories had in fact written them off as unwilling to act against Sukarno. (112) If the elimination by Gestapu of Suharto's political competitors in the Army was to be blamed on the left, then the scenario required just such a revival of the generals' forgotten anti-Communist image in opposition to Sukarno. An anomalous unsigned August 1965 profile of Nasution in the *New York Times*, based on a 1963 interview but only published after an attack by Nasution on British bases in Singapore, does just this: it claims (quite incongruously, given the context) that Nasution is 'considered the strongest opponent of Communism in Indonesia'; and adds that Sukarno, backed by the PICI, 'has been pursuing a campaign to neutralize the army as an anti-Communist force.(113)

In the same month of August 1965, fear of an imminent showdown between 'the PKI and the Nasution group' was fomented in Indonesia by an underground pamphlet; this was distributed by the CIA's longtime asset, the PSI, whose cadres were by now deeply involved:

The PKI is combat ready. The Nasution group hope the PKI will be the first to draw the trigger, but this the PKI will not do. The PKI will not allow itself to be provoked as in the Madiun Incident. In the end, however, there will be only two forces left: the PKI and the Nasution group. The middle will have no alternative but to choose and get protection from the stronger force. (114)

One could hardly hope to find a better epitome of the propaganda necessary for the CIA's program of engineering paranoia.

McGehee's article, after censorship by the CIA, focuses more narrowly on the CIA's role in anti-PKI propaganda alone:

The CIA seized upon this opportunity [Suharto's response to Gestapu] and set out to destroy the P.K.I. . . . [eight sentences deleted].... Media fabrications played a key role in stirring up popular resentment against the P.K.I.. Photographs of the bodies of the dead generals -- badly decomposed -- were featured in all the newspapers and on television. Stories accompanying the pictures falsely claimed that the generals had been castrated and their eyes gouged out by Communist women. This cynically manufactured campaign was designed to foment public anger against the Communists and set the stage for a massacre. (115)

McGehee might have added that the propaganda stories of torture by hysterical women with razor blades, which serious scholars dismiss as groundless, were revived in a more sophisticated version by a U.S. journalist, John Hughes, who is now the chief spokesman for the State Department. (116)

Suharto's forces, particularly Col. Sarwo Edhie of the RPKAD Commandos, were overtly involved in the cynical exploitation of the victims' bodies.(117) But some propaganda campaign appear to have been orchestrated by non-Indonesians. A case in point is the disputed editorial in support of Gestapu which appeared in the October 2 issue of the PKI newspaper *Harian Rakjat*. Professor Benedict Anderson and Ruth McVey, who have questioned the authenticity of this issue, have also ruled out the possibility that the newspaper was 'an Army falsification, on the grounds that the Army's 'competence at falsifying party documents has always been abysmally low.' (118)

The questions raised by Anderson and McVey have not yet been adequately answered. Why did the PKI show no support for the Gestapu coup while it was in progress, then rashly editorialize in support of Gestapu after it had been crushed? Why did the PKI, whose editorial gave support to Gestapu, fail to mobilize its followers to act on Gestapu's behalf? (119) Why did Suharto, by then in control of Jakarta, close down all newspapers except this one, and one other left-leaning newspaper which also served his propaganda ends? (120) Why, in other words, did Suharto on October 2 allow the publication of only two Jakarta newspapers, two which were on the point of being closed down forever?

As I said at the outset, it would be foolish to suggest that in 1965 the only violence came from the U.S. Government, the Indonesian military, and their mutual contacts in British and Japanese intelligence. A longer paper could also discuss the provocative actions of the PKI, and of Sukarno himself, in this tragedy of social breakdown. Assuredly, from one point of view, no one was securely in control of events in this troubled period. (121)

And yet for two reasons such a fashionably objective summation of events seems inappropriate. In the first place, as the CIA's own Study concedes, we are talking about 'one of the ghastliest and most concentrated bloodlettings of current times,' one whose scale of violence seems out of all proportion to such well-publicized left-wing acts as the murder of an army lieutenant at the Bandar Betsy plantation in May 1965. (122) And in the second place, the scenario described by McGehee for 1965 can be seen as not merely responding to the provocations, paranoia, and sheer noise of events in that

year, but as actively encouraging and channeling them.

It should be noted that former CIA Director William Colby has repeatedly denied that there was CIA or other U.S. involvement in the massacre of 1965. (In the absence of a special CIA Task Force, Colby, as head of the CIA's Far Eastern Division from 1962-66, would normally have been responsible for the CIA's operations in Indonesia.) Colby's denial is however linked to the discredited story of a PKI plot to seize political power, a story which he revived in 1978:

Indonesia exploded, with a bid for power by the largest Communist Party in the world outside the curtain which killed the leadership of the army with Sukarno's tacit approval and then was decimated in reprisal. CIA provided a steady flow of reports on the process in Indonesia, although it did not have any role in the course of events themselves. (123)

It is important to resolve the issue of U.S. involvement in this systematic murder operation, and particularly to learn more about the CIA account of this which McGehee claims to have seen. McGehee tells us that "The Agency was extremely proud of its successful [one word deleted] and recommended it as a model for future operations [one-half sentence deleted]. (124) Ambassador Green reports of an interview with Nixon in 1967 that

The Indonesian experience had been one of particular interest to [Nixon] because things had gone well in Indonesia. I think he was very interested in that whole experience as pointing to the way we [sic] should handle our relationships on a wider basis in Southeast Asia generally, and maybe in the world. (125)

Such unchallenged assessments help explain the role of Indonesia in the Nixon-sponsored overthrow of Sihanouk in Cambodia in 1970, the use of the Jakarta scenario for the overthrow of Allende in Chile in 1973, and the U.S. sponsorship today of the death squad regimes in Central America.(126)

Notes

1. The difficulties of this analysis, based chiefly on the so-called evidence presented at the Mahmilub trials, will be obvious to anyone who has tried to reconcile the conflicting accounts of Gestapu in, e.g., the official Suharto account by Nugroho Notosusanto and Ismail Saleh, and the somewhat less fanciful CIA Study of 1968. I shall draw only on those parts of the Mahmilub evidence which limit or discredit their anti-PK thesis. For interpretation of the Mahmilub data, cf. especially Coen Holtzappel, 'The 30 September Movement', *Journal of Contemporary Asia*, IX, 2 (1979), pp. 216-40. The case for general skepticism is argued by Rex Mortimer, *Indonesian Communism Under Sukarno* (Ithaca: Cornell University Press, 1974), pp. 421-23; and, more forcefully, by Julie Southwood and Patrick Flanagan, *Indonesia: Law, Propaganda, and Terror* (London: Zed Press, 1983), pp. 126-34.
2. At his long-delayed trial in 1978, Gestapu plotter Latief confirmed earlier revelations that he had visited his old commander Suharto on the eve of the Gestapu kidnappings. He claimed that he raised with Suharto the existence of an alleged right-wing Council of Generals plotting to seize power, and informed him 'of a movement which was intended to thwart the plan of the

generals' council for a coup d'etat' ('The Latief Case: Suharto's Involvement Revealed', *Journal of Contemporary Asia*, IX, 2 (1979), pp. 248-50). Suharto allegedly corroborated the information about a conspiratorial Council of Generals, in marked contrast to his public broadcast the next day when he dismissed his groundless. Latief's claims are particularly interesting because he was surprisingly not given the death sentence, because of the anomalous delay in bringing him to trial or even producing him as a witness, and because in 1990 he has reportedly been released. If his claims are true, they show at a minimum that (1) Suharto had foreknowledge of the plot, and yet failed to notify his Commander Yani (an involvement for which so many others were condemned); (2) by encouraging, instead of refuting, Latief's paranoia about a Council of Generals, Suharto helped induce the plot to go forward. For a more comprehensive view of Suharto's involvement in Gestapu, cf. especially W.F. Wertheim 'Whose Plot? New Light on the 1965 Events', *Journal of Contemporary Asia*, IX, 2 (1979), pp. 197-215; Holtzappel, in contrast, points more particularly to intelligence officers close to the banned Murba party of Chaerul Saleh and Adam Malik: cf. *infra* at footnote 107.

3. The three phases are: 1) 'Gestapu', the induced left-wing coup; 2) 'KAP-Gestapu', or the anti-Gestapu 'response', massacring the PKI; 3) the progressive erosion of Sukarno's remaining power. This paper will chiefly discuss Gestapu/KAP-Gestapu, the first two phases. To call the first phase by itself a coup is in my view an abuse of terminology: there is no real evidence that in this phase political power changed hands or was intended to.
4. U.S., Central Intelligence Agency, *Research Study: Indonesia -- the Coup that Backfired*, 1968 (cited hereafter as CIA Study), p. 71n.
5. Harold Crouch, *The Army and Politics in Indonesia* (Ithaca: Cornell University Press, 1978), pp. 79-81.
6. In addition, one of the two Gestapu victims in Central Java (Colonel Katamso) was the only non-PKI official of rank to attend the PKI's nineteenth anniversary celebration in Jogyakarta in May 1964: Mortimer, p. 432. Ironically, the belated 'discovery' of his corpse was used to trigger the purge of his PKI contacts.
7. Four of the six pro-Yani representatives in January were killed along with Yani on October 1. Of the five anti-Yani representatives in January, we shall see that at least three were prominent in 'putting down' Gestapu and completing the elimination of the Yani-Sukarno loyalists (the three were Suharto, Basuki Rachmat, and Sudirman of SESKOAD, the Indonesian Army Staff and Command School): Crouch, p. 81n.
8. While Nasution's daughter and aide were murdered, he was able to escape without serious injury, and support the ensuing purge.
9. Memorandum of 22 March 1961 from Richard M. Bissell Attachment B; *Indonesia 22* (1976), p. 165. By 1965 this disillusionment was heightened by Nasution's deep opposition to the U.S. involvement in Vietnam.
10. Crouch, p. 40; Brian May, *The Indonesian Tragedy* (London: Routledge and Kegan Paul, 1978), pp. 221-22.
11. I shall assume for this condensed argument that Untung was the author, or at least approved, of the statements issued in his name. Scholars who see Untung as a dupe of Gestapu's controllers note that Untung was nowhere near the radio station broadcasting in his name, and that he appears to have had little or no influence over the task force which occupied it (under Captain Suradi of the intelligence service of Colonel Latief's Brigade): Holtzappel, pp. 218, 231-32, 236-37. I have no reason to contradict those careful analysts of Gestapu -- such

- as Wertheim, p. 212, and Holtzappel, p. 231 -- who conclude that Untung personally was sincere, and manipulated by other *dalangs* such as Sjam.
12. Broadcast of 7:15 a.m. October 1; *Indonesia I* (April 1966), p. 134; Ulf Sundhaussen, *The Road to Power: Indonesian Military Politics, 1945-1957* (Kuala Lumpur and Oxford: Oxford University Press, 1982), p. 196.
 13. Sundhaussen, p. 201.
 14. Broadcasts of October 1 and 4, 1965; *Indonesia I* (April 1966), pp. 158-59.
 15. CIA Study, p. 2; O. G. Roeder, *The Smiling General: President Soeharto of Indonesia* (Jakarta: Gunung Agung, 1970), p. 12, quoting Suharto himself:

On my way to KOSTRAD HQ [Suharto's HQ] I passed soldiers in green berets who were placed under KOSTRAD command but who did not salute me.

16. Anderson and McVey concluded that Sukarno, Air Force Chief Omar Dhani, PKI Chairman Aidit (the three principal political targets of Suharto's anti-Gestapu 'response') were rounded up by the Gestapu plotters in the middle of the night, and taken to Halim Air Force Base, about one mile from the well at Lubang Buaja where the generals' corpses were discovered. In 1966 they surmised that this was 'to seal the conspirators' control of the bases,' and to persuade Sukarno 'to go along with' the conspirators' plans: Benedict Anderson and Ruth McVey, *A Preliminary Analysis of the October 1, 1955, Coup in Indonesia* (Ithaca: Cornell University Press, 1971), pp. 19-21. An alternative hypothesis of course is that Gestapu, by bringing these men together against their will, created the semblance of a PKI-Air Force-Sukarno conspiracy which would later be exploited by Suharto. Sukarno's presence at Halim 'was later to provide Sukarno's critics with some of their handiest ammunition': John Hughes, *The End of Sukarno* (London: Angus and Robertson, 1968), p. 54.
17. CIA Study, p. 2; cf. p. 65: 'At the height of the coup the troops of the rebels [in Central Java] were estimated to have the strength of only one battalion during the next two days these forces gradually melted away.'
18. Rudolf Mrazek, *The United States and the Indonesian Military 1945-1966* (Prague: Czechoslovak Academy of Sciences 1978) II, 172. These battalions, comprising the bulk of the 3rd Paratroop Brigade, also supplied the bulk of the troops used to put down Gestapu in Jakarta. The subordination of these two factions in this supposed civil war to a single close command structure under Suharto is cited to explain how Suharto was able to restore order in the city without gunfire. Meanwhile out at the Halim Air Force base an alleged gun battle between the 454th (Green Beret) and RPKAD (Red Beret) paratroops went off - 'without the loss of a single man' (CIA Study, p. 60). In Central Java, also, power 'changed hands silently and peacefully', with 'an astonishing lack of violence' (CIA Study, p. 66).
19. CIA Study, p. 60n; Arthur J. Dommen, 'The Attempted Coup in Indonesia', *China Quarterly*, January-March 1966, p. 147. The first get-acquainted meeting of the Gestapu plotters is placed in the Indonesian chronology of events from 'sometime before August 17, 1965' (Nugroho Notosusanto and Ismail Saleh, *The Coup Attempt of the 'September 30 Movement' in Indonesia*, Jakarta: [Pembimbing Masa], n.d. [1968], p. 13); in the CIA Study, this meeting is dated September 6 (p. 112). Neither account allows more than a few weeks to plot a coup in the world's fifth most populous country.
20. Mortimer, p. 429. Prof. Benedict Anderson has suggested that the acronym 'Gestapu' itself is another reason to think Gestapu was an American invention.

You can't say Gerakan September Tiga Puluh in Indonesian; it would be like saying May Teenth Four, for May Fourteenth. Indonesian word order has to be Gerakan Tiga Puluh September. On the other hand, Anglophones who don't know Indonesian well, or don't care, often give dates in the English-language word order (Letter of August 22, 1982 from Prof. Benedict Anderson).

21. Of the six General Staff officers appointed along with Yani, three (Suprpto, D.I. Pandjaitan, and S. Parman) were murdered. Of the three survivors, two (Mursjid and Pranoto) were removed by Suharto in the next eight months. The last member of Yani's staff, Djamin Gintings, was used by Suharto during the establishment of the New Order, and ignored thereafter.
22. Howard Palfrey Jones, *Indonesia: the Possible Dream* (New York: Harcourt, Brace, Jovanovich, 1971), p. 391; cf Arnold Brackman, *The Communist Collapse in Indonesia* (New York: Norton, 1969), pp. 118-19.
23. Crouch, p. 150n.
24. Crouch, pp. 140-53; for the disputed case of Bali, even Robert Shaplen, a journalist close to U.S. official sources, concedes that 'The Army began it': *Time Out of Hand* (New York: Harper and Row, 1969), p. 125. The slaughter in East Java 'also really got started when the RPKAD arrived, not just Central Java and Bali.' (Letter from Prof. Benedict Anderson).
25. Sundhaussen, pp. 171, 178-9, 210, 228; Donald Hindley, 'Alirans and the Fall of the Old Order', *Indonesia*, April 1970, pp. 40-41.
26. Sundhaussen, p. 219.
27. It may have been true from as early as 1964 (with the U.S.-assisted military coup in Brazil) that a larger role in such coup management was played by the U.S. military. At the end of this paper I refer to a U.S. Navy plan to assassinate and overthrow Prince Sihanouk in 1968, which in its essentials (assassinate the center and blame it falsely on the left, in order to justify a coup by the right) looks remarkably similar to the 1965 Indonesia scenano. Cf. *infra* at footnote 126.
28. 'In 1965 it [the BND, or intelligence service of the Federal Republic of Germany] assisted Indonesia's military secret service to suppress a left-wing Putsch in Djakarta, delivering sub-machine guns, radio equipment and money to the value of 300,000 marks': Heinz Hohne and Hermann Zolling, *The General Was a Spy* (New York: Bantam, 1972), p. xxxiii.
29. We should not be misled by the CIA's support of the 1958 Rebellion into assuming that all U.S. Government plotting against Sukarno and the PKI must have been CIA-based. Cf. *infra* at footnote 126.
30. In 1953 John Foster Dulles told the newly appointed ambassador to Indonesia, Hugh S. Cumming, Jr., '[D]on't tie yourself irrevocably to a policy of preserving the unity of Indonesia.... the preservation of unification of a country can have dangers, and I refer to China':- Leonard Mosley, *Dulles* (New York: The Dial Press/James Wade, 1978), p. 437.
31. Daniel Lev, *The Transition to Guided Democracy: Indonesian Politics, 1957-1959* (Ithaca: Cornell University Press, 1966), p. 12. For John Foster Dulles' hostility to Indonesian unity in 1953, cf. Leonard Mosley, *Dulles* (New York: The Dial Press/James Wade, 1978), p. 437.
32. *Declassified Documents Quarterly Catalogue* (Woodbridge, Conn.: Research Publications, 1982), 001191.
33. As the head of the PKI's secret Special Bureau, responsible only to Aidit, Sjam by his own testimony provided leadership to the 'progressive officers' of Gestapu. The issue of PKI involvement in Gestapu thus rests on the question of whether Sjam was manipulating the Gestapu leadership on behalf of the PKI,

- or the PKI leadership on behalf of the Army. There seems to be no disagreement that Sjam was (according to the CIA Study, p. 107) a longtime 'double agent' and professed 'informer for the Djakarta Military Command'. Wertheim (p. 203) notes that in the 1950s Sjam 'was a cadre of the PSI', and 'had also been in touch with Lt. Col. Suharto, today's President, who often came to stay in his house in Jogja.' This might help explain why in the 1970s, after having been sentenced to death, Sjam and his co-conspirator Supeno were reportedly 'allowed out [of prison] from time to time and wrote reports for the army on the political situation' (May, p. 114). I might add that the Sjam who actually testified and was convicted, after being 'captured' on March 9, 1967, was the third individual to be identified by the army as the Sjam of whom Untung had spoken: *Declassified Documents Retrospective Collection* (Washington: Carrollton Press, 1976), 613C; Hughes, p. 25.
34. Wertheim, p. 203, Mortimer, p. 431(Sjam); Sundhaussen, p.228 (Suwarto and Sarwo Edhie).
 35. A CIA veteran recalls that the CIA's motives in supporting the 1958 rebellion were rather to exert pressure on Sukarno than to overthrow him: to hold Sukarno's 'feet to the fire', as the CIA's Frank Wisner is quoted as having said; and more specifically to increase Sukarno's dependence on the anti-Communist army under Nasution, as his defender against CIA-sponsored subversion: Joseph B. Smith, *Portrait of a Cold Warrior* (New York: Putnam, 1976), p. 205; cf. Thomas Powers, *The Man Who Kept the Secrets* (New York: Knopf, 1979), p. 89.
 36. U.S., Congress, Senate, Select Committee to Study Governmental Operations with Respect to Intelligence Activities, *Alleged Assassination Plots Involving Foreign Leaders*, 94th Cong., 1st Sess., 1975 (Senate report No. 94-465), p. 4n; personal communications.
 37. *Declassified Documents Quarterly Catalogue*, 1982, 002386; 1981, 367A.
 38. 'The decision . . . was based on an estimate that: (1) The Indonesian Army is the only non-Communist force in Indonesia with the capability of obstructing the Indonesian Communist Party (PKI) toward domination of the country; and (2) given some encouragement in the form of U.S. aid, Indonesian Army Chief of Staff, Nasution, will carry out his "plan" for the control of Communism.... [We need] to maintain this momentum with further acts designed to convince General Nasution and the anti-Communist Indonesian politicians that the United States can be depended on for continued support in return for further moves on their part to curb the Indonesian Communist Party (PKI)': *Declassified Documents Quarterly Catalogue*, 1982, 002386 (JCS Memo for SecDef, 22 September 1958).
 39. CIA Memorandum of 22 March 1961, Attachment A, p. 6; *Indonesia* 22, October 1976, p. 164.
 40. Scholars are divided over interpretations of Madiun as they are over Gestapu. Few Americans have endorsed the conclusion of Wertheim that 'the so-called communist revolt of Madiun. . . was probably more or less provoked by anti-communist elements'; yet Kahin has suggested that the events leading to Madiun 'may have been symptomatic of a general and widespread government drive aimed at cutting down the military strength of the PKI.' See W.F. Wertheim, *Indonesian Society in Transition* (The Hague: W. van Hoeve, 1956), p. 82; George McT. Kahin, *Nationalism and Revolution in Indonesia* (Ithaca: Cornell University Press, 1970), p. 288; cf. Southwood and Flanagan, pp. 26-30. David Anderson ('The Military Aspects of the Madiun Affair', *Indonesia*, April 1976, p. 64) has concluded that the Madiun Affair was not an

unsuccessful leftist bid for all-out revolution in Indonesia, 'but part of the struggle between the hinterland Javanese units determined to preserve a mass populist army, and a high command no less determined to bring the field units under greater central control.'

41. Southwood and Flanagan, p. 68; cf Nasution's statement to students on November 12, 1965, reprinted in *Indonesia*, I (April 1966), p. 183: 'We are obliged and dutybound to wipe them [the PKI] from the soil of Indonesia.'
42. Examples in Peter Dale Scott 'Exposing Military-Economic Development', in Malcolm Caldwell (ed.), *Ten Years' Military Terror in Indonesia* (Nottingham: Spokesman Books, (1975), pp. 227-232.
43. David Ransom, 'Ford Country: Building an Elite for Indonesia', in Steve Weissman (ed.), *The Trojan Horse* (San Francisco: Rampans Press, 1974), p. 97, cf p. 101. Pauker brought Suwanto to RAND in 1962.
44. John H. Johnson, *The Role of the Military in Underdeveloped Countries* (Princeton: Princeton University Press, 1962), pp. 222-24. The foreword to the book is by Klaus Knorr, who worked for the CIA while teaching at Princeton.
45. Shaplen, p. 118; Southwood and Flanagan, pp. 75-76; Scott, p. 231. William Kintner, a CIA (OPC) senior staff officer from 1950-52, and later Nixon's Ambassador to Thailand, also wrote in favor of 'liquidating' the PKI while working at a CIA subsidized think-tank, the Foreign Policy Research Institute, on the University of Pennsylvania campus: William Kintner and Joseph Kornfeder, *The New Frontier of War* (London: Frederick Muller, 1963), pp. 233, 237-38.

If the PKI is able to maintain its legal existence and Soviet influence continues to grow, it is possible that Indonesia may be the first Southeast Asia country to be taken over by a popularly based, legally elected communist government.... In the meantime, with Western help, free Asian political leaders -- together with the military -- must not only hold on and manage, but reform and advance while liquidating the enemy's political and guerrilla armies.

46. Ransom, pp. 95-103; Southwood and Flanagan, pp. 34-36; Scott, pp. 227-35. A U.S. observer gathered the impression that the Ford Foundation chief in Jakarta, a veteran of an earlier CIA anti-Communist funding operation in France, considered himself superior to the pro-Sukamo U.S. Ambassador, Howard Jones, and instead worked closely with the CIA and the Asia Foundation (Personal communication).
47. Sundhaussen, pp. 141, 175.
48. Published U.S. accounts of the Civic Mission/'civic action' programs describe them as devoted to 'civic projects -- rehabilitating canals, draining swampland to create new rice paddies, building bridges and roads, and so on': Roger Hilsman, *To Move a Nation* (Garden City, N.Y.: Doubleday, 1967), p. 377. But a memo to President Johnson from Secretary of State Rusk, on July 17, 1964, makes it clear that at that time the chief importance of MILTAG was for its contact with anti-Communist elements in the Indonesian Army and its Territorial Organization:

Our aid to Indonesia..... we are satisfied..... is *not helping Indonesia militarily*. It is, however, *permitting us to maintain some contact with key elements in Indonesia which are interested in and capable of resisting Communist takeover*. We think this is of vital importance to the entire Free World: *Declassified*

49. Southwood and Flanagan, p. 35; Scott, p. 233.
50. Ransom, pp. 101-02, quoting Willis G. Ethel; cited in Scott, p. 235.
51. Sundhaussen, p. 141. There was also the Army's 'own securely controlled paramilitary organization of students -- modelled on the U.S. R.O.T.C. and commanded by an Army colonel [Djuhartono] fresh from the U.S. Army intelligence course in Hawaii': Mrazek II 139, citing interview of Nasution with Prof. George Kahin, July 8, 1963.
52. Pauker, though modest in assessing his own political influence, does claim that a RAND paper he wrote on counter-insurgency and social justice, ignored by the U.S. military for whom it was intended, was influential in the development of his friend Suwanto's Civic Mission doctrine.
53. Noam Chomsky and E.S. Herman, *The Washington Connection and Third World Fascism* (Boston: South End Press, 1979), p. 206; David Mozingo, *Chinese Policy Toward Indonesia* (Ithaca: Cornell University Press, 1976), p. 178.
54. Sundhaussen, pp. 178-79. The PSI of course was neither monolithic nor a simple instrument of U.S. policy. And not all critics agree with Sundhaussen's account of their underground activities; Daniel Lev considers that Sundhaussen, following the officers whom he interviewed, has inflated the party's importance. But the role of the PSI per se is not the issue. The real point is that, in this 1963 incident as in others, we see conspiratorial activity relevant to the military takeover, involving PSI and other individuals who were at the focus of U.S. training programs, and who would play an important role in 1965.
55. Sundhaussen, pp. 228-33: in January 1966 the 'PSI activists' in Bandung 'knew exactly what they were aiming at, which was nothing less than the overthrow of Sukarno. Moreover, they had the protection of much of the Siliwangi officer corps.' Once again, I use Sundhaussen's term 'PSI-leaning' to denote a milieu, not to explain it. Sarwo Edhie was a long-time CIA contact, while Kemal Idris' role in 1965 may owe much to his former PETA commander the Japanese intelligence officer Yanagawa. Cf. Masashi Nishihara, *The Japanese and Sukarno's Indonesia* (Honolulu: University Press of Hawaii, 1976), pp. 138, 212.
56. Sundhaussen, pp. 99-101. Lubis was also a leader in the November 1957 assassination attempt against Sukarno, and the 1958 Rebellion.
57. Sundhaussen, p. 188, cf. p. 159n.
58. Suharto's 'student' status does not of course mean that he was a mere pawn in the hands of those with whom he established contact at SESKOAD. For example, Suharto's independence from the PSI and those close to them became quite evident in January 1974, when he and Ali Murtopo cracked down on those responsible for Army-tolerated student riots reminiscent of the one in May 1963. Cf. Crouch, pp. 309-17.
59. Sundhaussen, pp. 228, 241-43. In the same period SESKOAD was used for the political re-education of generals like Sur-josumpeno, who, although anti-Communist, were guilty of loyalty to Sukarno (p. 238).
60. Crouch, p. 80; at this time Suharto was already unhappy with Sukarno's 'rising pro-communist policy' (Roeder, p. 9).
61. Crouch, p. 81; cf. Mrazek, II, 149-51.
62. Sundhaussen, pp. 241-43.

63. Through his intelligence group OPSUS (headed by Ali Murto) Suharto made contact with Malaysian leaders: in two accounts former PSI and PRRI/Permesta personnel in Malaysia played a role in setting up this sensitive political liaison: Crouch, p. 74; Nishihara, p. 149.
64. Sundhaussen, p. 188.
65. Mrazek, II, 152.
66. Cf. Edward Luttwak, *Coup D'Etat: A Practical Handbook* (London: Allen Lane/ The Penguin Press), p. 61: 'though Communist-infiltrated army units were very powerful they were in the wrong place; while they sat in the Borneo jungles the anti-Communist paratroops and marines took over Jakarta, and the country.' What is most interesting in this informed account by Luttwak (who has worked for years with the CIA) is that 'the anti-Communist paratroops' included not only the RPKAD but those who staged the Gestapu uprising in Jakarta, before putting it down.
67. Nishihara, pp. 142, 149.
68. Nishihara, pp. 202, cf. p. 207. The PRRI/Permesta veterans engaged in the OPSUS peace feelers, Daan Mogot and Willy Pesik, had with Jan Walandouw been part of a 1958 PRRI secret mission to Japan, a mission detailed in the inside account by former CIA officer Joe B. Smith (p. 245), following which Walandouw flew on 'to Taipeh, then Manila and New York'.
69. Personal communication. If the account of Neville Maxwell can be believed, then the planning of the Gestapu-anti-Gestapu scenario may well have begun in 1964: *Journal of Contemporary Asia* (1979), 251-52; reprinted in Southwood and Flanagan, p. 13. (Neville Maxwell is Senior Research Officer at the Institute of Commonwealth Studies, Oxford University.)

A few years ago I was researching in Pakistan into the diplomatic background of the 1965 Indo-Pakistan conflict, and in foreign ministry papers to which I had been given access came across a letter to the then foreign minister, Mr. Bhutto, from one of his ambassadors in Europe..... reporting a conversation with a Dutch intelligence officer with NATO. According to my note of that letter, the officer had remarked to the Pakistani diplomat that 'Indonesia was going to fall into the Western lap like a rotten apple'. Western intelligence agencies, he said, would organize a 'premature communist coup..... [which would be] foredoomed to fail, providing a legitimate and welcome opportunity to the army to crush the communists and make Soekarno a prisoner of the army's goodwill.' The ambassador's report was dated December 1964.

70. CIA Memo of March 27, 1961, Appendix A, p. 8; *Indonesia 22* (October 1976), p. 164. Cf Powers, p. 89.
71. CIA Memo of March 27, 1961; *Indonesia 22* (October 1976), p.165.
72. The lame-duck Eisenhower NSC Memo would have committed the U.S. to oppose, not just the PKI in Indonesia, but 'a policy increasingly friendly toward the Sino-Soviet bloc on the part of whatever regime is in power.' 'The size and importance of Indonesia,' it concluded 'dictate [sic] a vigorous U.S. effort to prevent these contingencies': *Declassified Documents Quarterly Catalogue*, 1982, 000592, NSC 6023 of 19 December, 1960; *Declassified Documents 1982/592*. The available record does not reveal whether or not approved. This newly declassified document, and another like it, date from periods when, I have argued, a group within the Administration were manipulating events in Laos to induce a more vigorous U.S. involvement in Southeast Asia: *Declassified Documents Quarterly Catalogue*, 1983, 001285-86; Peter Dale

- Scott, *The War Conspiracy* (New York: Bobbs Merrill, 1972), pp. 12-14, 17-20.
73. Jones, p. 299.
74. Mortimer, pp. 385-86.
75. U.S., Department of Defense, *Military Assistance Facts*, May 1, 1966. Before 1963 the existence as well as the amount of the MAP in Indonesia was withheld from the public; retroactively figures were published. After 1962 the total deliveries of military aid declined dramatically, but were aimed more and more particularly at anti-PKI and anti-Sukarno plotters in the army. Cf. supra at footnote 48, infra at footnotes 78 and 85.
76. *New York Times*, August 5, 1965, p. 3; cf. Nishihara, p. 149; Mrazek, 11, 121.
77. A Senate amendment in 1964 to cut off all aid to Indonesia unconditionally was quietly killed in conference committee, on the misleading ground that the Foreign Assistance Act 'requires the President to report fully and concurrently to both Houses of the Congress on any assistance furnished to Indonesia' (U.S. Cong., Senate, Report No. 88-1925, *Foreign Assistance Act of 1964*, p. 11). In fact the Act's requirement that the President report 'to Congress' applied to eighteen other countries, but in the case of Indonesia he was to report to two Senate committees and the Speaker of the House: Foreign Assistance Act, Section 620(j).
78. Jones, p. 324
79. U.S. Congress, Senate, Committee on Foreign Relations, *Multinational Corporations and United States Foreign Policy, Hearings* (cited hereafter as Church Committee Hearings), 94th Cong., 2nd Sess., 1976, p. 941, Mrazek II, 22. Mrazek quotes Lt. Col. Juono of the Corps as saying that 'we are completely dependent on the assistance of the United States'.
80. Notosusanto and Saleh, pp. 43, 46.
81. Nishihara (pp. 171 194, 202) shows the role in the 1965-66 anti-Sukarno conspiracy of the small faction (including Ibnu Sutowo, Adam Malik, and the influential Japanese oilman Nishijima) who interposed themselves as negotiators between the 1958 PRRI Rebellion and the central government. Alamsjah, of whom more in a moment, was another member of this group; he joined Suharto's staff in 1960. For alleged plotting by Murba Party members Adam Malik and Chaerul Saleh in conjunction with CIA, cf. *infra* at footnote 107.
82. *Fortune*, July 1973, p. 154; cf. *Wall Street Journal*, April 18, 1967; both in Scott, 'Exporting Military-Economic Development' pp. 239, 258.
83. *Declassified Documents Retrospective Collection*, 609A (Embassy Cable 1002 of October 14, 1965); 613A (Embassy Cable 1353 of November 7 1965): 'Army source conveyed suggestion we substitute Indo[nesian] armed forces' for 'Indo[nesian] Army' in our broadcasts, and if possible, press.... It is important to avoid VOA inferring that Army working against Sukamo. I nevertheless particularly appreciate way officials in Washington have scrupulously refrained from more than minimal public commentaryGreen.'
84. *New York Times*, August 5, 1965, p. 3.
85. U.S., Department of Defense, *Military Assistance Facts*, May 1 1966. The 32 military personnel in Fiscal 1965 represent an increase over the projected figure in March 1964 of 29. Most of them were apparently Green Beret U.S. Special Forces, whose forward base on Okinawa was visited in August 1965 by Gestapu plotter Saherman. Cf. *infra* at footnote 126.
86. George Benson, an associate of Guy Pauker's who headed the Military Training Advisory Group (MILTAG) in Jakarta, was later hired by Ibnu

- Sutowo to act as a lobbyist for the army's oil company (renamed Pertamina) in Washington. *New York Times*, December 6, 1981, p. 1.
87. *The San Francisco Chronicle*, October 24, 1983, p. 22, describes one such USAF-Lockheed operation in Southeast Asia, 'code named "Operation Buttercup" that operated out of Norton Air Force Base in California from 1965 to 1972.' For CIA's close involvement in Lockheed payoffs, cf Anthony Sampson, *The Arms Bazaar* (New York: Viking, 1977), pp. 137, 227-28, 238.
88. Church Committee Hearings, pp. 943-51.
89. Church Committee Hearings, p. 960.
90. Nishihara, p. 153.
91. Lockheed Aircraft International, memo of Fred C. Meuser to Erle M. Constable, 19 July 1968, in Church Committee Hearings, p. 962.
92. Church Committee Hearings, p. 954; cf. p. 957. In 1968, when Alamsjah suffered a decline in power, Lockheed did away with the middleman and paid its agents' fees directly to a group of military officers (pp. 342, 977).
93. Church Committee Hearings, p. 941; cf p. 955.
94. Southwood and Flanagan, p. 59.
95. Crouch, p. 114.
96. *Declassified Documents Quarterly Catalogue*, 1982, 002507 (Cable of April 15, 1965, from U.S. Delegation to U.N.). Cf. Forbes Wilson, *The Conquest of Copper Mountain* (New York: Atheneum, 1981), pp. 153-55.
97. *Declassified Documents Quarterly Catalogue*, 1982, 002507 (Cable of April 15, 1965, from U.S. Delegation to U.N.). Cf. Forbes Wilson, *The Conquest of Copper Mountain* (New York: Atheneum, 1981), pp. 153-55; *World Oil*, August 15, 1965, p. 209. It may or may not be a coincidence that one of Freeport Sulphur's directors, R.A. Lovett, was an investment partner of w. Averell Harriman, who while inside the State Department played an important role in winning U.S. support for Indonesia's takeover of W3Dt Papua. Cf. Hilsman, pp. 377-78.
98. *World Oil*, August 15, 1965, p. 209. It may or may not be a coincidence that John J. McCloy, then a director of Allied Chemical which had the second largest interest in Asamera's Indonesia venture, was also one of the 'wise men' summoned by Lyndon Johnson in August 1965 to advise and support him in his Vietnam War policies. By 1967 the nominally 'Canadian' Asamera venture had spawned a major Allied Chemical subsidiary, Union Texas Indonesia, Inc.
99. *New York Times*, June 19, 1966, IV, 4.
100. Ralph McGehee, 'The C.I.A. and the White Paper on El Salvador', *Nation*, April 11, 1981, p. 423. The deleted word would appear from its context to be 'deception.' Cf. Roger Morris and Richard Mauzy, 'Following the Scenario', in Roben L. Borosage and John Marks (eds.), *The CIA File* (New York: Grossman/Viking, 1976), p. 39:

Thus the fear of Communist subversion, which erupted to a frenzy of killing in 1965-1966, had been encouraged in the 'penetration' propaganda of the Agency in Indonesia..... 'All I know', said one former intelligence officer of the Indonesia events, 'is that the Agency rolled in some of its top people and that things broke big and very favorable, as far as we were concerned.'

101. Victor Marchetti and John Marks, *The CIA and the Cult of Intelligence* (New York: Knopf, 1974), p. 245. For a list of 25 U.S. operatives transferred from

- Vietnam to Guatemala in the 1964-73 period, cf. Susanne Jonas and David Tobis, *Guatemala* (Berkeley and New York: North American Congress on Latin America, 1974), p. 201.
102. Tad Szulc, *The Illusion of Peace* (New York: Viking, 1978), p. 724. The top CIA operative in charge of the 1970 anti-Allende operation, Sam Halpern, had previously served as chief executive officer on the CIA's anti-Sukarno operation of 1957-58: Seymour Hersh, *The Price of Power* (New York: Summit Books, 1983), p. 277; Powers, p. 91.
103. Donald Freed and Dr. Fred Simon Landis, *Death in Washington*, (Westport, Conn.: Lawrence Hill, 1980), pp. 104-5.
104. *Time*, March 17, 1961.
105. Sundhaussen, p. 195.
106. Jones, p. 374; Justus M. van der Kroef, 'Origins of the 1965 Coup in Indonesia: Probabilities and Alternatives,' *Journal of Southeast Asian Studies*, 111, 2, September 1972, p. 282. Three generals were allegedly targeted in the first report (Suharto Mursjid, and Sukendro); all survived Gestapu.
107. Chaerul Saleh's Murba Pany, including the pro-U.S. Adam Malik, was also promoting the anti-Communist 'Body to support Sukarnoism' (BPS), which was banned by Sukarno on December 17, 1964. (Subandrio 'is reported to have supplied Sukarno with information purporting to show U.S. Central Intelligence Agency influence behind the BPS': Mortimer, p. 377; it clearly did have support from the CIA- and army-backed labor organization SOKSI.) Shortly after, Murba itself was banned; and promptly 'became active as a disseminator of rumours and unrest'. Holtzappel, p. 238.
108. Sundhaussen, p. 183; Mortimer pp. 376-77; *Singapore Straits Times*, December 24, 1964; quoted in van der Kroef, p. 283.
109. *Sabah Times*, September 14, 1965; quoted in van der Kroef, p. 296. Mozingo (p. 242) dismisses charges such as these with a consemptuous footnote.
110. Powers, p. 80; cf. Senate Report No. 94-755, *Foreign and Military Intelligence*, p. 192. CIA-sponsored channels also disseminated the Chinese arms story at this time inside the United States: e.g. Brian Crozier, 'Indonesia's Civil War,' *New Leader*, November 1965, p. 4.
111. Mortimer, p. 386. The Evans and Novak column coincided with the surfacing of the so called 'Gilchrist letter,' in which the British ambassador purportedly wrote about a U.S.-U.K. anti-Sukarno plot to be executed 'together with local army friends.' All accounts agree that the later was a forgery. However it distracted attention from a more incriminating letter from Ambassador Gilchrist, which Sukarno had discussed with Lyndon Johnson's envoy Michael Forrestal in mid-February 1965, and whose authenticity Forrestal (who knew of the letter) did not deny: *Declassified Documents Retrospective Collection*, 594H (Embassy Cable 1583 of February 13, 1965).
112. Cf. Denis Warner, *Reporter*, March 28, 1963, pp. 62-63: 'Yet with General A.H. Nasution, the defense minister, and General Jani, the army chief of staff now out-Sukarnoing Sukarno in the dispute with Malaya over Malaysia..... Mr. Brackman and all other serious students of Indonesia must be troubled by the growing irresponsibility of the army leadership.'
113. *New York Times*, August 12, 1965, p. 2.
114. Brackman, p. 40.
115. McGehee, p. 423.
116. Hughes, pp. 43-50; cf. Crouch, p. 140n: 'No evidence supports these stories.'
117. Hughes, p. 150, also tells how Sarwo Edhie exploited the corpse of Colonel Katamso as a pretext for provoking a massacre of the PKI in Central Java; cf

- Crouch, p. 154n, also *supra* at footnote 6.
118. Anderson and McVey, p. 133.
119. The only exhortation of the editorial ('We call on all the people to intensify their vigilance and be prepared to confront all eventualities') is remarkably consistent with the tone on October 1 of a non-leftist Christian journal, *Sinar Harapan* ('Keep calm, increase vigilance') with the initial Gestapu statement ('Lt. Colonel Untung called on the entire Indonesian people to continue to increase vigilance and fully assist the September 30th Movement') and with the Suharto group's first response to Gestapu ('The general public is urged to remain calm and continue their respective tasks as usual'): Anderson and McVey (1971), pp. 131, 145-6; *Indonesia* 1 (April 1966), pp. 135, 158. Crouch (p. 108) argues cogently that the PKI did not wish to mobilize its backers because there did not have the physical resources to challenge the army leaders in a direct confrontation, thus the party wished 'to create the impression that the PKI was not involved'. But the impression created by the *Harian Rakjat* editorial was of course quite the opposite.
120. Benedict Anderson and Ruth McVey, 'What Happened in Indonesia?', *New York Review of Books*, June 1, 1978, p. 41; personal communication from Prof. Anderson. A second newspaper, *Sulah Indonesia*, told its PNI readers that the PNI did not support Gestapu, and thus served to neutralize potential opposition to Suharto's seizure of power.
121. Thus defenders of the U.S. role in this period might point out that where 'civic action' had been most deeply implanted, in West Java, the number of civilians murdered was relatively (n.b.) small, and that the most indiscriminate slaughter occurred where civic action programs had been only recently introduced. This does not, in my view, diminish the U.S. share of responsibility for the slaughter.
122. CIA Study, p. 70; Sundhaussen, p. 185.
123. William Colby, *Honorable Men: My Life in the CIA* (New York: Simon and Schuster, 1978), p. 227. Crouch (p. 108) finds no suggestion in the Mahmilub evidence 'that the PKI aimed at taking over the government', only that it hoped to protect itself from the Council of Generals.
124. McGehee, p. 424.
125. Szulc, p. 16.
126. Southwood and Flanagan, pp. 38-39 (Cambodia). According to a former U.S. Navy intelligence specialist, the initial U.S. military plan to overthrow Sihanouk 'included a request for authorization to insert a U.S.-trained assassination team disguised as Vietcong insurgents into Phnom Penh to kill Prince Sihanouk as a pretext for revolution.' Hersh, p. 179.

Late breaking news on Clay Shaw's United Kingdom contacts

Anthony Edward Weeks

Introduction: Lee Harvey Oswald and New Orleans

Lee Harvey Oswald, like his mother Marguerite Oswald (née Claverie), was born in

New Orleans, on 18th October 1939, and spent his first five years in the Crescent City. In early 1944 Mrs Oswald moved to Dallas with Lee and his half-brother, John Pic. She changed addresses frequently and, after periods in Fort Worth and New York, returned to New Orleans with her children in January 1954. In late 1954, aged 15 Oswald became a member of a Civil Air Patrol unit that was run by one David Ferrie. Mrs Oswald left New Orleans again in July 1956 and returned to Fort Worth. On October 24th Oswald enlisted in the Marines.

When Oswald returned from the Soviet Union in June 1962 with Marina, his Soviet wife, they went to stay with his half-brother in Fort Worth. Oswald obtained a number of jobs that proved unsatisfactory and, unable to find further employment locally, Marina suggested he go to New Orleans to look for work. He stayed with his aunt, Lillian Murret. At the beginning of May he secured employment with the William B. Reilly Co., coffee grinders and packagers, as a machinery greaser. Marina and their daughter joined him in a small apartment on Magazine Street. On July 19th Oswald was dismissed by the Reilly Co. for 'poor working habits'. He then organized the New Orleans 'chapter' of the Fair Play for Cuba Committee (FPCC), getting 'Hands Off Cuba' leaflets printed. While engaged in this pro-Castro activity he visited Carlos Bringuier, a Cuban refugee and prominent anti-Castro activist, told him he was experienced in guerilla warfare and offered his services in the armed struggle against Castro.

Oswald's one-man FPCC chapter was based at 544 Camp Street. The room he rented there was in a three-storey building that had entrances on two bordering streets, and thus had two addresses: 531 Lafayette Street and 544 Camp Street. The building was part-rented by William Guy Bannister, a racist, violent anti-communist, and member of the John Birch Society. Bannister served in the FBI and had risen to be Special Agent-in-Charge of the Bureau's Chicago office. After retiring from the Feds he had been appointed assistant superintendent of the New Orleans Police Department, a position he lost after pulling a gun on a waiter in a local bar. He then formed Guy Bannister Associates, a private detective agency cum political front that reflected his own extremist views. One of the first people he employed was David Ferrie.

Bannister had earlier persuaded the owner of the building to let space to the CIA-sponsored Cuban Revolutionary Council, headed by Sergio Aracha Smith. Bannister's secretary, Delphine Roberts, told the writer Henry Hurt that Oswald had often come in to see Bannister, and this has been confirmed elsewhere. (For example, in Anthony Summers' *Conspiracy*.) Further, she said that Bannister was well aware of Oswald keeping the FPCC placards and leaflets in the room he rented, and that Bannister was only upset when Oswald brought the stuff into his office. The Bannister-Oswald connection, the fact that while Oswald claimed some 35 members for his FPCC chapter he only had one, and, moreover, his chapter had never been chartered by the national FPCC in New York, suggests that Oswald was running a phoney FPCC chapter as part of the FBI's Cointelpro operations against the American left.

On 9th August Bringuier saw Oswald giving out 'Hands Off Cuba' leaflets on Canal Street, a rumpus developed and Oswald (along with Bringuier and two other Cubans) was arrested, held in jail overnight and released after paying a \$10.00 fine. A week later he was distributing the leaflets again - this time outside the New Orleans International Trade Mart.

Marina and their daughter returned to Dallas on 23rd September. Two days later

Oswald left New Orleans for Mexico City to visit the Cuban and Soviet Embassies. He re-entered the United States on 3rd October and headed for Dallas. On November 24th he was shot dead by Jack Ruby.

Clay Shaw, Jim Garrison (and others)

In mid-February 1967, nearly three and a half years after the assassination of John F. Kennedy, news reports emanating from New Orleans claimed that the local district attorney, Jim Garrison, was investigating the President's murder. Within a week Garrison was holding a press conference and claiming that he had 'positively solved the assassination of John F. Kennedy'. On the day the news of Garrison's investigation broke in the local New Orleans *States-Item* newspaper, David Ferrie contacted the paper claiming he was targeted in Garrison's investigation as the getaway pilot for the Dealey Plaza assassins - an allegation Ferrie strongly denied.

Ferrie was a bizarre hairless individual who glued red false hair and eyebrows to himself. A homosexual, he had been dismissed as a commercial pilot by Eastern Airlines in September 1963 for sodomizing a young boy. Ferrie was also a rabid anti-communist with good connections amongst the exiled anti-Castro Cubans who were then nearly as numerous in New Orleans as they were in Florida. He had probably worked for the CIA in some covert capacity, and on 22nd November 1963 had been in a New Orleans courtroom with Carlos Marcello, the Louisiana mafia boss, for whom he was working as a private investigator. (It was widely believed that Ferrie had flown Marcello back from Mexico after Bobby Kennedy had him kidnapped and illegally deported.) Ferrie had also worked for Guy Bannister, and had earlier run the Civil Air Patrol unit the teenage Lee Harvey Oswald had joined.

On 22nd February 1967 Ferrie's naked body was discovered in his apartment. The coroner later ruled that death was from natural causes, a brain haemorrhage. Garrison would have none of it and claimed he had committed suicide because of the tightening net of his investigation, pointing to two notes Ferrie had left, one to an ex-lover named Al, and one that read in its entirety: 'To leave this life is, for me, a sweet prospect. I find nothing in it that is desirable, and on the other hand everything that is loathsome.' Whether these unsigned notes had been hanging around the apartment for a while, were suicide notes (or 'suicide' notes), who knows? Nearly twenty-five years later the argument is still unresolved as to whether Ferrie's final exit was natural or unnatural.

Meanwhile in Washington the Powers That Be were showing an abiding concern and interest in the Garrison investigation. President Johnson called Acting Attorney General Ramsay Clark and spoke to him about Ferrie's death. LBJ was 'very concerned about this matter' and wanted full details.

On March 1st Ferrie was buried and Garrison announced the arrest of Clay L. Shaw for 'participation in a conspiracy to murder John F. Kennedy'. Shaw was a prominent social and business figure in New Orleans, well liked and respected. Nearly two years earlier he had received New Orleans' highest honour, the medal of the International Order of Merit. He was also the director of the New Orleans International Trade Mart which promoted the commercial merits of the city around the world. Garrison would claim that Shaw was also intimate with Ferrie - politically, sexually and

conspiratorially. The keystone of Garrison's case was the contention that Clay Shaw used the alias of Clay or Clem Bertrand. The DA would prove that Bertrand was involved in the assassination conspiracy and then show that he and Shaw were one and the same.

Shortly after the arrest Ramsey Clark surprised everyone by announcing in Washington that immediately after the assassination Shaw had been investigated by the FBI and come up clean as a whistle. This was news to the Feds - there had been no investigation. A Justice Department official subsequently tried to clear up the confusion and limit the Acting Attorney General's damage by saying Clay Bertrand and Clay Shaw were the same man, but this was what Garrison was saying anyway and it only succeeded in moving the confusion into fourth gear. (Later the Justice Department would declare that Clay Bertrand was not a real person and no evidence had ever been found suggesting that Clay Shaw had used the name.)



Garrison had been led to Bertrand through the testimony given to the Warren Commission by jive-talking New Orleans 'hip pocket' attorney, Dean Andrews, who had claimed that shortly after the assassination Bertrand had telephoned him requesting that he go to Dallas and represent Oswald. (On Andrews see below.) Andrews gave conflicting accounts and descriptions of Bertrand and eventually claimed he was a figment of his imagination. He would also say that Bertrand was definitely not Shaw, though by this time so much pressure had been put on him he was only opening his mouth to change feet. He would also say in front of a grand jury under oath, when asked whether Bertrand and Shaw were the same person, 'I can't say that he is and I can't say that he ain't.'

Garrison marshalled a group of witnesses to support his case that ran the whole spectrum from the completely believable to the completely incredible: from the credible postman, James Hardiman, who said he delivered mail to 'Clay Bertrand' addressed to Shaw's house and that it was never returned, through to Charles I. Spiesel who freely told how malevolent strangers were forever hypnotizing him and that whenever his daughter returned from college he regularly finger-printed her to ensure that an imposter had not been substituted. There was also Perry Raymond Russo who had attended a party at Ferrie's apartment where he had met an older man named Bertrand and Ferrie's room-mate, Leon (sic) Oswald. Oswald and Bertrand were discussing an assassination plot. Bertrand was Shaw, Oswald was Oswald.

If Garrison was putting Shaw on trial he was also putting the Warren Commission on trial and the broadsides he fired into the Chief Justice's Report hastened its demise in the eyes of the public. This would be Garrison's great contribution to the JFK mystery. The Zapruder film was shown ten times during the course of the trial to demonstrate the 'triangulation of cross-fire' that Garrison claimed killed Kennedy.

On 1st March 1969, two years to the day after his arrest, Clay Shaw was found innocent of the charges laid against him. Five years later he was dead of cancer at the age of sixty-one.

Who was Clay Shaw? James Kirkwood, for instance, spent a considerable time with Shaw throughout the trial and wrote a 600 page account of the action with a pronounced pro-Shaw bias. Yet reading it is like watching Hamlet without the Prince of Denmark. We see Shaw as Defendant and nothing else. A curiously one-dimensional portrait is given that leaves Shaw the man well alone. Kirkwood frequently appears to be on the brink of saying something but pulls back at the last moment.

Harold Weisberg discovered a 1954 FBI report from a New Orleans informant that said he had 'relations of a homosexual nature with Clay Shaw', and that Shaw was 'given to sadism and masochism in his homosexual activities'. Ferrie seems to have inhabited a similar gay milieu and it is not far-fetched to believe they may have known each other in the French Quarter's sexual underworld - they certainly had friends in common. Was 'Clay Bertrand' Shaw's *nom de guerre* in gay New Orleans back in the homophobic early 1960s?

When Garrison arrested Shaw in March 1967 his office had discovered a chain, five whips, a black hood and cape, and a gown in Shaw's bedroom where hooks had been screwed into the ceiling. The DA would later say that what appeared to be dried blood was found on the whips. Shaw's friends at the time said that this paraphernalia was part of a Mardi Gras costume - an explanation offered to James Kirkwood by Shaw's

mother which he duly reported without comment.

I have been told by a woman who knew Shaw very well throughout the 1950s and 60's that Shaw's homosexuality was no secret in his social circle. But while his friends might know he was gay New Orleans as a town did not. If I underscore his homosexuality it is to emphasize the compartmentalisation of his life, a trait that would be valuable for anyone with connection to intelligence operations.

In 1977 a CIA memo surfaced dated 28th September 1967 and headed 'Garrison Investigation: Queries from Justice Department'. This said that between 1949 and 1956 the Agency had received 30 reports from Shaw concerning international trade and political activities in countries ranging from Peru to East Germany, Argentina and Nicaragua. Henry Hurt has noted that while the contacts apparently ceased in 1956 Shaw continued to enjoy a good relationship with Langley and it is possible that Shaw's work became more sensitive and ceased to be recorded in the general files. Further evidence of Shaw's involvement with the CIA came in 1975 from Victor Marchetti who had resigned from the Agency in 1969. At the time of the Garrison investigation he was Executive Assistant to the CIA Deputy Director, and it was then, so Marchetti says, that the case was discussed at the highest levels in terms of what help Shaw could be given.

In 1979 Richard Helms, who in 1963 had been the Agency's Deputy Director for Plans (i.e. covert operations), admitted under oath in a trial that he knew of Shaw. He said, 'The only recollection I have of Clay Shaw and the Agency is that I believe that at one time as a businessman he was one of the part-time contacts of the Domestic Contact Division, the people that talked to businessmen, professors and so forth, and who travelled in and out of the country.' Helms had earlier denied that there was any connection. Was he now telling the truth? Allen W. Dulles astonished fellow members of the Warren Commission by telling them in a secret session that members of the intelligence community would lie, if need be, under oath, that the truth in some regards would never be known. Helms may have been telling the truth in 1979 but the sin may be that of omission rather than commission. In the phrase much loved by English lawyers, we need 'further and better particulars'. As of now we are stumbling about in a badly lit room unsure if we are seeing shadow or substance. Shaw was probably not involved in the assassination of Kennedy, though he may well have known individuals who were. Could this quiet American have been another 'cold war warrior'? What do we know about him? What could we find out.

The Address Book

When Clay Shaw was arrested on 1st March 1967 his house in the French Quarter was searched and among the items taken away by the DA was a personal address book. A photocopy was subsequently deposited with the Committee to Investigate Assassinations, in Washington D.C., and it was from a copy of this that I worked. The photocopy shows the book to be a spring-backed ring-binder, rather like a Filofax, with 175mm by 98mm pages. The index tabs are in twos, A and B, C and D, which frequently results in alphabetical displacement. In all there are some 56 pages of names and addresses. Most of the entries are typewritten but corrections and additions have been done in Shaw's hand. The book is almost wholly composed of home addresses and phone numbers and it is only very occasionally that a company address or phone is given. It was obviously Shaw's social and private address book, as opposed to any 'work' address book.

There are 216 names in the book, many with more than one address and with earlier addresses crossed out. Shaw used it for a number of years and it may well date back to the late 1950s. The vast majority of the addresses are in North America (that is the USA, Canada and Mexico), and aside from the United Kingdom entries dealt with here, the other overseas entries break down as follows: Belgium 3, Colombia 1, France 6, Germany 1, Holland 2, Italy 4, Norway 1, and Spain 4.

In his 1988 *On the Trail of the Assassins* Garrison describes the address book as 'probably the most interesting single item seized in the course of Shaw's arrest', and goes on to discuss it, pp.146-7. He says it 'offered some insights into his proclivity for developing casual relationships at lofty levels of European aristocracy', which is certainly true, and he lists several titled individuals who appear in its pages. He then rather sours his point by claiming that the CIA has a 'romantic infatuation with the fading regimes', which seems to suggest he thinks Langley is preparing for the comeback of the *ancien regime*.

One very intriguing entry among the addresses that Garrison alighted upon back in 1967 is:

Lee Odom
PO Box 19106
Dallas, Tex

(On p. 146 of *On the Trail* Garrison transcribes it incorrectly - which makes one wonder when he last looked at the address book himself.)

In Lee Harvey Oswald's address book there appears the citation '* * 19106' (the asterisks here represent two Cyrillic characters not available on this keyboard). Garrison claims that they say PO, but either way there is an odd coincidence here. Who and what was this? Shaw's attorney at the time of the trial produced a Lee Odom who said that he had a PO Box number in Irving, a Dallas suburb, and that PO Box 19106 in Dallas had been used for a while in some barbecue company he was associated with (though it had never been in his name), and that he had met Shaw once to discuss promoting bloodless bull-fights in New Orleans! At the very least this was a suspicious coincidence and one that has yet to be explained. Oswald had written the notation in his address book no later than 1963, and yet the Dallas Post Office in that year had not yet acquired a Box with such a high number. In his book Garrison fails to mention that it was *bloodless* bullfights that Odom claimed to be promoting, and also neglects to say that the two characters preceding the number in Oswald's address book were in Cyrillic. Such omissions point to a highly selective (or sloppy) presentation of facts. What else is he not telling us?

The UK names and addresses are here presented in alphabetical order. The bracket [T] and [H] mean typewritten or handwritten entries. Proper names rendered in caps in these notes indicate that an entry exists for them also.

Perhaps a few words on address book methodology (sic). On the table in front of me as I write this is my own address book, a fat red-leather bound Filofax which has been with me for fifteen years or so and which, at a guess contains a thousand or so names with addresses and telephone numbers. It contains the names of quite a few people who know quite a bit about me, but the vast majority know little or nothing. There are people I have met once many years ago and even people I have never met or

communicated with in any way, whose entries I would be hard put to explain. I've taken the names and address of people at parties and never seen them again - and so on. Clay Shaw by all accounts was a witty, charming and courteous individual. He met hundreds of people. He had many legitimate business interests... and naturally people would end up in his address book. Their presence may mean nothing.

The United Kingdom Contacts

Before continuing let me tip my cap to two fellow English JFK buffs who have each made a foray into this neck of the woods. Michael Eddowes told me years ago that in the early 1970s he went through Shaw's UK contacts: 'there was nothing much of interest - a couple of old ladies in Mayfair and so on.' This is a reference to Lady D'Arcy and Lady Hulse who are noted below. Of much greater significance to Eddowes was a discovery he made in Toronto when he knocked on the door of an apartment owned by one of Shaw's boyfriends: it was opened by a fellow named Robin Drury. Drury, a homosexual, had been the 'agent' of Christine Keeler during the time of the British sex scandal known as the Profumo Affair in 1963. Like Eddowes I had often wondered whether Shaw knew Stephen Ward, the osteopath at the centre of the affair. This discovery inches the contention forward.

Stephen Dorril is the other pioneer of UK Shaw studies (and co-author, with Anthony Summers of the best book on the Profumo Affair *Honeytrap: the Secret Worlds of Stephen Ward*, London, Weidenfeld and Nicolson, 1987). He had spoken to Olwen Janson (see below) several times in the mid-1970s after reading about the interview she gave to the London *Daily Mail* in Joesten's book on Garrison. The interview is mentioned under Sir Michael DUFF below and details of Joesten's book will be found in the Further Reading section at the end.

The first thing that struck me when I looked through the addresses was that Shaw's London contacts all lived in the best and most expensive areas: Belgravia, Mayfair, Kensington, St. John's Wood and Whitehall. Whoever Shaw was he did not seem to know anyone in the low rent zones....

Frith Banbury
4 St. James Terrace
Prince Albert Road,
London NW 8
[T]

(Frederick Harold) Frith Banbury was born on 4th May 1912, the son of Rear-Admiral Frith Banbury. He was educated at Stowe School and Hertford College, Oxford, and later studied at the Royal Academy of Dramatic Art. Throughout the 1930s and 1940s he was an actor and appeared in many West End productions and several films, including Michael Powell's *The Life and Death of Colonel Blimp* (1943). Since 1947 he has been a successful theatrical producer and director - his two most recent productions in London were *The Corn is Greener* at the Old Vic in 1987 and *The Admirable Crichton* at the Haymarket in 1988.

4 St. James Terrace was demolished quite recently along with a couple of its neighbours and on the site of these houses was built a very fine modern apartment block that goes under the name of Park St. James, commanding fine views across

Regents Park. Banbury now lives in the block.

Banbury told me that he had met Shaw while visiting New Orleans in 1952. He was introduced by a mutual friend, an actress. It was during Mardi Gras and Banbury was staying in a hotel running up a high bill. Shaw suggested he stay with him at his house for a few days and Banbury accepted. He said Shaw was a generous and attentive host. In the late 1950s or early 1960s Shaw telephoned Banbury while in London and they had lunch together. This was the last time they met. When Banbury read about the Garrison investigation he sent Shaw a letter of support. Frith Banbury could not believe that Shaw was in any way involved with the JFK assassination, yet, like Olwen JANSON below, he could well imagine him involved with the CIA as an agent.

Lady Margaret D'Arcy
109 Earls Court Road,
London W8
[T]

Lady Margaret Florence Grace D'Arcy was born on 2nd October 1907, the youngest daughter of the (13th) Earl of Kinnoull (1855-1916). In 1929 she married a Norman D'Arcy and had several children. While raising her family she wrote four novels, all published by John Murray in *London: Down the Sky* (1935), *Sir Monckton Requests* (1936), *Malignant Star* (1939) and *Racket* (1940).

She was divorced from D'Arcy in 1942. Lady Margaret's daughter, Philippa, who now lives in Monaco, told me that her mother was a great traveller and also very active on the lecture tour circuit in the United States through an organization she believed was called British American Associates. (See John William HUGHES) Both Philippa and her mother knew Sir Steven RUNCIMAN and Lord MONTAGU: 'but then my mother was always very active and knew hundreds of people.'

Lady Margaret was a devout Christian. Her last published work was *A Book of Modern Prayers* (Aldington, Kent; Hand and Flower Press, 1951). 109 Earl's Court Road and its neighbour, 107, part of a terrace of modest Victorian stucco villas, were demolished in the late 1960s and replaced by a pleasing block of flats. Lady Margaret then went to live in Mayfair with Lady HULSE who had sometimes accompanied her on trips to the United States as unpaid secretary and companion. There was a rift between the two titled ladies around 1974 and Lady Margaret moved out. She died in 1976 aged 68.

Alan Davis
23 Ennismore Gardens
London SW7
[T]

Ennismore Gardens is one of the most attractive squares in London and is situated behind the Victoria and Albert Museum, roughly mid-way between Kensington to the west and Knightsbridge to the east. Clay Shaw mis-spelt Davis' Christian name - it is Allan Davis, under which the following entry appears in the 1973-74 *British Film and Television Year Book* (London, Cinema TV Today, 1974), p.104:

DAVIS, ALLAN. Director (films, TV and plays). Born 30th August, 1913, London. Entered films in 1951 after several years as a director on the stage. Went to Hollywood under contract to MGM and directed *Rogue's March* (MGM) in 1953 etc. Back in Britain he has directed many TV films in the following series: *Rendezvous*, *Dick and the Duchess*, *O.S.S.* etc. 1960, directed feature films *Clue of the Twisted Candle*, *Clue of the New Pin*. 1961-2, directed *Square Mile Murder*, *Wings of Death*, *The Fourth Square*, etc. Since 1962: Directing on West End and Broadway stage. 1971-73: *No Sex Please - We're British*. (stage)

Address: 23 Ennismore Gardens, London SW7.

Davis told me that in 1960 he was touring the United States lecturing on theatre and drama at various Universities through the Rockefeller Foundation. He spent a few days in New Orleans while at Tulane University and met Shaw a couple of times through people he knew on the faculty. He said Shaw was very interested in the theatre and very good company. Davis gave Shaw his address and said he must look him up if he ever came to London: they never met or communicated again. In 1967 David was startled to read about Shaw's arrest in *Time* magazine and could not believe that Shaw was in any way involved. David moved out of Ennismore Gardens some years ago and now lives in Belgravia.

Sir Michael Duff

Vaynol,

Bangor.

Wales

[T: handwritten underneath '82 Cadogan Place']

Sir Charles Michael Robert Vivian Duff was born on 3rd May 1907. Apart from a brief spell in the RAF during the last war, he seems to have spent the greater part of his life in socializing and not much else. Sir Michael was a well-known bisexual who, according to one source, liked to dress up in drag as the late Queen Mary. Cecil Beaton, the photographer, latched on to Sir Michael in the 1920s and it seems they had a long affair. They certainly remained friends throughout their lives and Sir Michael features in Hugo Vickers' *Cecil Beaton: The Authorized Biography* (London, Weidenfeld and Nicolson, 1985) He married the eldest daughter of the Marquess of Anglesey in 1949. His death on 3rd March 1980 from cancer was what the Victorians would have called a merciful release: he had suffered greatly.

Sir Michael is chiefly remembered today as the god-father of Tony Armstrong-Jones, the photographer who married (and later divorced) the Queen's sister, Princess Margaret, and who now sails under the title of the Earl of Snowden.

Olwen JANSON told me that Shaw always spoke fondly of Sir Michael. They had met during the war when Shaw was stationed in London. I also learned from another source that they had been lovers and, indeed, that Sir Michael may have been one of the two greatest loves of Shaw's life (the other being William Formyduval with whom he lived). Sir Michael introduced Shaw to London society, to Churchill, and may even have introduced him to Peter MONTGOMERY, Anthony Blunt's lover.

As to Sir Michael's two addresses, Vaynol was his country estate near the town of Bangor on the north coast of Wales, some 250 miles north-east of London, while Cadogan Place was his London address in Belgravia, only a couple of doors away

from G.R. SPENCER (and Mike Leach). Bangor is situated on the Menai Straits which separate Wales from the Isle of Anglesey and there, no more than ten miles away, lived John William HUGHES. A relative of Hughes told me that she thought it very unlikely he knew Sir Michael. However Sir Steven RUNCIMAN did know Sir Michael, though he was unaware that Shaw did as well. In the interview that Olwen JANSON gave with Charles Greville, the society columnist of the London *Daily Mail*, on 17th March 1967, she said that one of Shaw's friends was a Member of Parliament. The MP was not identified in the piece but Mrs Janson tells me she was referring to Sir Michael. In fact he was never an MP.

Andrew Gillan
6 Bryce Avenue
Edinburgh 7
Scotland
U.K.

[H]

Shaw mis-spelt this name - it should be *Gillon*.

Andrew Gillon is now in his early fifties and is a successful businessman running his own computer company in Edinburgh. At the time he met Shaw he was working for IBM who had flown him to London for training. Gillon told me he met Clay Shaw 'once and once only - on a bus going out from the Cromwell Road airline terminal [London] to Heathrow. It was either 1964 or 1965. I was returning to Edinburgh and Shaw was flying to Dublin. He told me he was a retired businessman, but he had something to do with exhibitions. We were going to meet the following week when I was back in London but I came down with flu and did not return to London for a while. I never saw or spoke to him again. Then, a couple of years later, I was listening to the radio over breakfast and I heard that he had been arrested by the New Orleans district attorney. I could not believe what I was hearing. It came as a great shock meeting someone then hearing that they had been arrested on such a charge.'

John William Hughes
Marianglas
Isel of Anglesey
Wales G.B.

Moelfre - 392

[H]

The Isle of Anglesey is the island off the coast off North Wales that is separated from the mainland by the Menai Straits. Marian-glas (sic) is a small village on the north-east coast. Moelfre is the telephone exchange that takes its name from a nearby town.

I eventually tracked down a relative of Hughes', Ellen Roger-Jones, who lives on the island. She is the sister of the actor Hugh Griffiths. She told me that Hughes was born on Anglesey just before the first world war and grew up there. He was a great traveller and widely respected in his time as a journalist. He fought as a volunteer in the Spanish Civil War but she could not recall on whose side. He was a very powerful public speaker and orator and had once stood as a Liberal candidate in a general

election. The name Clay Shaw meant nothing to her.

Hughes was very active in the English Speaking Union and frequently went on lecture tours in the United States for an organization called something like American-English Associates (this may well have been the same outfit Lady Margaret D'ARCY was involved with). In about 1970 he married a woman from New York who had 'aristocratic' connections, a widow with children, whose aunt was very famous in New York theatrical circles. Hughes returned with his wife to Anglesey. The woman did not like provincial Welsh life and returned home with a year. Hughes died of cancer in Bangor Hospital circa 1970. Bangor was the home of Sir Michael DUFF. Roger-Jones does not believe that Hughes knew him.

Lady Hulse
7 Culross St.,
London W1
[T]

Lady Hulse still lives in Culross Street, Mayfair, in a very fine mews house, immediately behind the American Embassy. She could not recall every meeting Clay Shaw or hearing the name, and neither could her house-keeper/companion who has been with her for fifty years. As Lady Hulse worked as an unpaid secretary to Lady Margaret D'ARCY on her American lecture tours it seems entirely likely that Shaw may have met her through Lady Margaret, perhaps just once, and would have no particular reason to remember it. Certainly Shaw never visited Culross Street. Lady Dorothy Hulse was formerly married to Sir Westrow Hulse, the barrister.

Mr and Mrs Hugh Janson
26 Laxford House
Cundy Street,
London

The Boat House, Queens Rd.
Cowes, Isle of Wight
Cowes 3849
[T]

Cundy Street is in the SW1 postal district of London on the edge of Belgravia, not far away from Victoria Station. Laxford House is one of four apartment blocks built around a quadrant and dating from, I would guess, the early 1930s. When the Jansons sold their apartment in the late 1960s it was purchased by Sir Alec Douglas-Home, the former Conservative Prime Minister. The Jansons also sold their house in Cowes and they now live in the west of England. Olwen Janson told me the following.

The niece of Lord Oranmore and Browne, she was born in England in 1928. In the early 1950s she married Wayne Harriess in New York. He was the son of an ex-President of the New York Stock Exchange whose vast wealth came from oil, real estate and other business holdings. The Harriess were also close to the Kennedys at this time.

In 1953 Olwen was travelling through New Orleans with her husband when they discovered a house for sale at 613 Dumaine Street. They promptly bought it from the owner, the novelist William March (author of *The Bad Seed*). Olwen discovered a very fine local antique shop run by a Carol Lewis (not in the address book), a homosexual Veteran who had served as a sergeant in the US Army in France under Clay Shaw. It was through him that Olwen met Shaw, 'one of the most charming and engaging men I have ever met.' They became close friends and confidants almost immediately and they remained so throughout the three years Olwen lived in New Orleans. When Wayne Harriess died in 1956 Shaw gave Olwen considerable help and she believes that without him she would never have survived. After she left New Orleans in 1956 and returned to London, they remained in regular contact right up until Shaw's death in 1974. They corresponded regularly and Olwen was always the first person Shaw looked up when he arrived in London.

There was no secrecy in New Orleans about Shaw's homosexuality - he openly lived with a life-long lover, William Formyduval.

Shaw was always talking about London and he said that after New Orleans it was his favourite city. He had first visited London during the war when he was in the Army and he would spend lengthy periods there up until 1945. It was at this time he met Sir Michael DUFF of whom he always spoke fondly. They became lovers. Sir Michael introduced Shaw to London society and the two of them frequently had dinner with Winston Churchill. It may have been Sir Michael who had introduced Shaw to Peter MONTGOMERY.

During the invasion of France, Shaw was shot in the left and the resulting wound caused a permanent limp. He was awarded the Croix de Guerre by the French but Olwen does not know why. She believed he rose to be a colonel (Harold Weisberg thinks a major).

Shaw was passionately interested in the theatre and wrote a number of plays himself. One of them, about life in a submarine (did he see service underwater?) was made into a film but Olwen cannot remember the details. Tennessee Williams was a very close friend of Shaw's but, curiously, he is absent from the address book.

Olwen still thinks very fondly of Shaw. His death was a sad blow to her. She cannot believe he had anything to do with the assassination of Kennedy, yet she can believe that he may have played footsie with the CIA. She loaned me a copy of the 13th July 1968 *New Yorker* that contained a lengthy piece by Edward Jay Epstein on the Garrison investigation. Clay had sent it to her at the time and on the front cover, at the bottom he had written:

Olwyn (sic) darling -- See page 35 for the incredible tale of the century.
Thanks for your letter. I'll answer soon!
Much love to you and Hugh

Clay

(Hugh is Hugh Janson who Olwen married after returning to London.)

Larry Lawrence
Yewtree Cottage
Benhams Lane
Fawley Green
Hensley-on-Thames (sic)

Hensley should be Henley, some forty miles west of London and the home of the famous annual boating regatta, an important date in the social calendar of the English ruling elites. Fawley Green is an extended hamlet of a place, high in the hills above Henley, that still seems remote and Arcadian. The houses here are hidden in a well-wooded landscape that tumbles down to the Thames. The present occupants of Yewtree Cottage only recently purchased the property and told me that it had passed through many hands in the 1970s and 80's. The cottage seems originally to have been a remote early nineteenth century laborer's house but additions and modifications have turned it into a picturesque exercise in gentrification.

An informant who had lived in the village for many years told me: 'Larry Lawrence worked as a chef in Henley and London. He was very handsome, and also sweet and polite. He lived in the cottage with his boyfriend who was an officer in the United States Air Force at High Wycombe. The boyfriend was quite senior - he may have been a major. Larry moved out in the late 1960s and I don't know where you would find him now.'

A boyfriend in the USAF? I wondered if this was originally Shaw's friend and that through him Shaw met Lawrence? I checked through the address book and found only one entry with USAF connections, an individual shown at various bases - Lowry (Colorado) AFB, Amarillo (Texas) AFB, George (California) AFB, and one near Tucson (Arizona), the name of which I cannot decipher. He is also shown at one time as being in Brussels. I don't know if this person is Lawrence's friend and it would be improper to print his name.

From 1951 to 1965 High Wycombe was the USAF's Strategic Air Command nerve centre and Seventh Air Division's HQ.

Lord Edward Montagu
15 Mount St.
London W1
[T]

This is Edward John Barrington Douglas-Scott-Montagu, 3rd Baron of Beaulieu, popularly known as Lord Montagu. Born 20th October 1926, educated at Eton and Oxford, he served in the Grenadier Guards.

Lord Montagu's large country estate, Beaulieu in Hampshire, some seventy miles south-west of London, houses the National Motor Museum which he founded in 1952. It is probably the largest collection of vintage cars in Britain and attracts a considerable number of visitors each year. His Lordship is active in many committees and organizations relating to museums, transport history, tourism etc. Lord Montagu has been married twice.

In 1954 occurred what has come to be known as the Montagu Case. With Peter Wildeblood, the diplomatic correspondent of the London *Daily Mail* and Michael Pitt-Rivers, Lord Montagu was arrested and charged with specific acts of indecency (homosexuality) involving two serving members of the Royal Air Force, Edward McNally and John Reynolds, both in their early twenties. The defendants were also charged with conspiracy to commit the acts - the double-whammy to ensure that no-one got off. At this time in Britain homosexuality was a criminal offence. The police and prosecution showed much prejudice and malice at the trial, frightening McNally and Reynolds into turning Queen's Evidence. They got off, Wildeblood and Pitt-Rivers were gaoled for eighteen months, Montagu for a year.

Wildeblood wrote a good first-hand account of the case, *Against the Law* (London, Weidenfeld and Nicolson, 1955) which details the unscrupulousness and severity with which the prosecution pursued the case. He also offers some explanation on pp. 45-6. On 25th October 1953 the *Sydney Morning Telegraph* published a cable from its London correspondent, Donald Horne, about a police and Home Office plan to 'smash homosexuality in London'. The details presented to the Australian readers were rather fuller than those presented to the British public who had merely heard from Home Secretary Sir David Maxwell-Fyffe, that a 'new drive against male vice' was needed. Horne wrote:

The plan originated under strong United States advice to Britain to weed out homosexuals - as hopeless security risks - from important Government jobs. One of the Yard's top-rankers, Commander E.A. Cole, recently spent three months in America consulting FBI officials in putting finishing touches to the plan....The Special Branch began compiling a 'Black Book' of known perverts in influential government jobs after the disappearance of the diplomats Donald Maclean and Guy Burgess, who were known to have pervert associates. Now comes the difficult task of side-tracking these men into less important jobs - or putting them behind bars.

This article certainly explains why Special Branch were involved with the investigation of the case, though at the time the specter of espionage was never raised. It may be argued that the Special Branch came in as a matter of routine because two of those involved were in the RAF but as they were both in the lowest ranks, their security clearances were insignificant.

A cursory examination of this case does seem to suggest that these three unfortunate defendants were victims of some Cold War politicking by the British Government intent on showing the United States that they could and would Do Something About It. I wondered if any any gay historian had examined the way Cold War had impinged on homosexuality in Britain during the 1950s and I was told the book to read was Jeffrey Weeks' *Coming Out: Homosexual Politics in Britain from the Nineteenth Century to the Present* (London, Quartet, 1977). But Weeks merely repeats Wildeblood and adds nothing new.

Lord Montagu's very busy schedule has prevented me from talking to him so far.

Peter Montgomery
Blessingbourne
Fivemiletown, NI Ireland

Phone Fivemiletown 221

[T]

Captain Peter Stephen Montgomery of Blessingbourne, to use the styling favoured by the subject, was born on 13th August 1909. He was educated at Wellington College School and Trinity College, Cambridge. Montgomery was the son of Major-General Hugh Maude de Fellenberg Montgomery. His uncle became Chief of the Imperial General Staff, and his second cousin was Bernard Montgomery, that is Field Marshall Montgomery of Alamein, the commander of the Eighth Army during the Second World War. From 1931 to 1947 he was employed by the BBC in Northern Ireland in various capacities, including Assistant Musical Director and Conductor of the BBC Northern Ireland Symphony Orchestra (1933-38). From 1952-71 he was a member of the BBC Northern Ireland Advisory Council, and from 1963-71 on the BBC General Advisory Council. He was the Honourary ADC to the Governor of Northern Ireland, Lord Wakehurst, from 1954-64, and later Vice-Lieutenant of County Tyrone in Ulster where the family estate, Blessingbourne, was situated.

These bare biographical facts on Montgomery do not betray the keen interest he has for students of 20th century intelligence and espionage. While a student at Trinity College, Cambridge, he became the lover of Anthony Blunt, the Soviet spy, aka 'The Fourth Man'. In the words of Barrie Penrose and Simon Freeman, 'Most of their mutual gay friends assumed that they had begun as lovers and then, in the parlance of the homosexual world, become sisters.' (*Conspiracy of Silence*, London, Grafton, 1986 p. 48). At the end of 1940 the lease that Lord Rothschild had on a three- story maisonette in Bentinck Street in London expired: Blunt moved in with Tessa Mayor (then Lord Rothschild's secretary in MI5, later his wife), Patrician Rawdon-Smith (who later married a friend of Blunt's) and Guy Burgess. They were soon joined by Jack Hewitt, a sailor boyfriend of Burgess, who very quickly switched his allegiance to Blunt. Hewitt told John Costello that during the time at the flat Blunt had only one visitor come to stay with him: Peter Montgomery. (See Costello's *Mask of Treachery* New York, William Morrow, 1988, p.391) This was a kindness that was reciprocated in 1942 when, after exhausting intelligence duties in London and Germany, Blunt went to recuperate at Montgomery's estate at Blessingbourne. Robert Harbinson, who knew Montgomery and Blunt well after the war, has said that 'Anthony had an uncanny hold over Peter. They were in love, at least for a time.' (Penrose and Freeman, *op cit* p.48) The secret of Montgomery's relationship with Blunt never came out during their lifetime. Had it done so Montgomery would have been ruined in Northern Ireland where many of his friends and relatives were in the Protestant Orange Order. Ulster would not have been as tolerant as Cambridge or London.

At the beginning of the war Montgomery joined the Intelligence Corps and rose to the rank of Captain. After 1945 he remained in the army and later went to to become ADC to the Viceroy of India, Lord Wavell.

Blunt was insistent that Montgomery knew nothing of his espionage activities and he went to great lengths right up until the end of his life to protect his friend. Until his death Blunt had a bedroom reserved for Montgomery in his London apartment. In 1980 the London *Sunday Times* interviewed Montgomery in connection with the un-masking of Blunt and he said that 'I knew Anthony had been interrogated in 1964 by the Security Service and I feared that my name would come up. There were other occasions when I thought it would come out and I would get the chop.'

Montgomery died in February 1988.

Clay Shaw, in other words, had one-stop access to Blunt, Philby, Burgess and their milieu. Though there is no information that he met any of them, we know from Olwen JANSON and others that he spent a considerable time in London during the war . (According to her 'he made all his major contacts during those years'.) Montgomery is the one parapolitically significant name in the address book worthy of more research.

A final intriguing footnote. Sir Stephen RUNCIMAN told me that he was an old friend of Montgomery's. When I told him that Montgomery was in Shaw's address book he was startled and said he did not know that they knew each other. Shortly after this he abruptly ended the conversation.

Robert Roper
208 Great Portland St.,
London
[T; following, handwritten, on a separate sheet)

Robert Roper
Hamilton House
7 Royal Terrace
Southend Essex

4 Tilney Street
Park Lane W-1
GRO 623 [?] 8

Robert St. John Roper was a noted theatrical costume and dress designer who was born in 1913 in Southend-on-Sea where his father was a cobbler. (Southend can be regarded as London's Coney Island - brash, vulgar and very popular). Roper worked for the Markova-Dolin Ballet in the early 1940s and later designed for many important West End stage productions. He was at the London Palladium for some seventeen years and also signed for shows like the Black and White Minstrels. Amongst the films we worked on were Tony Richardson's *Charge of the Light Brigade* (1968). He was also a close friend of the late Sir Norman Hartnell, dressmaker by appointment to the Queen and the Queen Mother.

Roper lived in Great Portland Street in the West End of London in the 1950s. Around 1960 he moved to Tilney Street in Mayfair, a house now demolished, and then bought Hamilton House in Southend in 1966, one of the houses in a very beautiful Royal Terrace which dates back to the 1790s. Roper lovingly restored the house to its period grandeur and the present owner, Mrs Powell, has preserved it exactly as he left it.

One Saturday evening in May 1977 Roper told Mrs Powell, who was then living next door, that he was going to buy cigarettes. He never returned. The following day his body was discovered in the public toilets at the end of Royal Terrace. He had died of a heart attack, aged 64. One informant told me that Roper was beaten up by an American sailor and this brought on the heart attack, but as the source was not present it is hard to gauge the story's reliability. Certainly no suggestion of this appeared in the local papers. Roper's obituary appeared in the London *Daily Telegraph* in the following week.

Bill Barrell lived with Roper for the last thirteen years of his life and can only remember him mentioning Clay Shaw's name once, at the time of Garrison's investigation. Roper might have said something like 'I have met him', but that was all. There is no reason to doubt Barrell's word, but it is odd that from the evidence of the address book Shaw appeared to have known Roper for at least fifteen years. Another curious point is that Roper was always known as St. John Roper, never Robert as Shaw had it. Barrell did not recognize any of the other names in the address book.

Sir Stephen Runciman
18 Elmtree Road
St. John's Wood
London W8
Phone - Cunningham 0010

[Following, after another name]

Sir Steven Runciman
Elshieshields,
Lockerbie,
Dumfriesshire
Scotland
Tel: Lochmaben 280

66 Whitehall Court
London SW1
WHITEHALL 3160 EXT 68
[T]

Shaw, as can be seen, spells the first name two ways. The correct form is Steven. The Honourable Sir Steven Runciman was born on 7th July 1903, the second son of Viscount Runciman of Doxford. He was educated at Eton (at the same time as George Orwell whom he knew) and Trinity College, Cambridge. From 1927-38 he was a Fellow of Trinity College, and from 1942-45 he was Professor of Byzantine Art and History at the University of Istanbul.

Sir Steven is a very distinguished academic specializing in the history of the Middle East and Byzantium and has been awarded honorary doctorates by nearly every major university in England and America. The author of many books since 1929, he is chiefly known for his three volume *A History of the Crusades* (1951-54). His most recent book, *Mistra*, was published in 1980.

Here is a description of him at Trinity in the 1930s when Anthony Blunt was a student:

The elegant Steven Runciman, however, remained as Trinity College's resident athlete, cutting elegant poses with a parakeet perched on his heavily ringed fingers and his hair cropped in an Italianate fringe.

This is John Costello in his *Mask of Treachery* p 121, quoting Cecil Beaton's *The Wandering Years* (1961). Beaton, it will be remembered, was very close to Sir Michael DUFF.

The three addresses listed represent Sir Steven's homes over a period of fifteen years.

The St. John's wood house was leased from the MCC (Middlesex Cricket Club - Lord's is nearby) throughout the 1950s, then he moved for a couple of years to Whitehall Court, a block of service apartments near the Houses of Parliament, finally going to Lockerbie in the early 1960s where he still lives.

The first time I spoke to Sir Steven he told me that he had met Clay Shaw a couple of times in New Orleans, the last occasion being about 1965, and knew little if nothing about him except that 'he enjoyed teasing the authorities.' I asked him how often he met Shaw in Britain and Sir Steven said he was not aware that Shaw had ever visited Britain. I pointed out to Sir Steven that there were three addresses for him covering some 15 years and asked if he could be mistaken in his recollections? At that point he cut short the conversation and I did not have the opportunity to ask him to explain what he had meant by Shaw liking to tease the authorities.

The second time I spoke to him I asked whether he knew Peter MONTGOMERY. At that stage this was a shot in the dark. Sir Steven said he knew him well. I then asked him if he knew that Montgomery was in Shaw's address book? Sir Steven seemed shocked by this this, there was a lengthy silence and he then said in a measured manner, 'I did not know he knew him.' Sir Steven told me that he knew Sir Michael DUFF and was equally surprised that Duff too was in the address book. Sir Steven then abruptly ended the conversation. Lady D'Arcy, above, knew both Sir Steven and Lord Montagu.

G. R. Spencer
Mike Leach
86 Cadogan Pl
London SW1
[H]

86 Cadogan Place is a very fine double-fronted eighteenth-century house on the edge of Belgravia just to the north of Sloane Square which has been recently converted into luxury apartments for sale. I could not trace either Spencer or Leach and none of Shaw's friends know anything about them except for Olwen JANSON who just remembers that Shaw invariably stayed with them when he was in London.

Peter Watling
Roland Gardens
London SE7 FRE 0305
[T; a wavy line through this entry - Shaw's? A deletion?]

Off the Old Brompton Road, Roland House is a hideous pre-war brick apartment block. I could not trace Watling and none of the other English friends of Shaw knew his name. Curiously, in his book on the Lord MONTAGU case, *Against the Law* (1955), Peter Wildeblood wrote (p. 37): 'At this time I was living in small flat in Roland Gardens, South Kensington.'

Marcus Wickam [-] Boynton
4 Green St W1,

London GR 8451
(Vincent Arroyo)
[T]

Green Street is in the heart of Mayfair near the American Embassy. No 4 is situated in an elegant Victorian apartment block on the north side. Marcus is one of the two sons of Captain Thomas Wickham-Boynton (1869-1942), a wealthy Yorkshire landowner. Wickham-Boynton inherited much of his father's wealth and lived a leisured existence, chiefly indulging his twin interests of travel and horse racing. He died in his late forties on 19 December 1989.

I spoke to Vincent Arroyo who had lived with him in Green Street. The two of them were travelling on an extended holiday through the United States in the early 1960s and stayed for five days in New Orleans where they met Clay Shaw. He was a very hospitable host, inviting them to a number of parties and showing them round New Orleans. He took them to the races in the company of a tobacco heiress who was a close friend. Arroyo cannot recall her name. The only other time they met Shaw was a couple of years later when he was in London. Later, when they read of his arrest by Jim Garrison, they sent him a telegram offering their support and sympathy - they could not believe he was guilty.

Wickham-Boynton and Arroyo were friends of Lord MONTAGU.

Angus Wilson
(Tony Garrett)
Felsham Woodside
Bradfield St. George
Bury St. Edmunds, Suffolk
Tel Rattlesden 200
[T]

This is Sir Angus Wilson, the distinguished novelist, who was born on 11th August 1913. He was educated at Westminster School and Merton College, Oxford, and worked in the Foreign Office from 1942 until 1946. He then worked in the British Museum library until 1955, after which he wrote and lectured full-time. His principal works are *The Wrong Set* (1949), *Hemlock and After* (1952), *Anglo-Saxon Attitudes* (1956) and *The Old Men at the Zoo* (1961).

Bradfield St. George is a small village in Suffolk about sixty miles north-west of London. Sir Angus went to live there in the mid-1950s with Tony Garrett, a schoolmaster who was sacked when the nature of his relationship with Sir Angus was discovered by the school's governors. With Sir Angus, Garrett co-edited *East Anglia in Verse* (1982).

Sometime in the 1970s the house at Bradfield St. George was sold and Sir Angus and Garrett moved to St. Remy Cedex in France. Alas, after some years Sir Angus developed Alzheimer's Disease and Garrett was forced to return him to England where he was placed in a nursing home thanks to the beneficence of the novelist P.D. James.

IN CONCLUSION

This enquiry had produced at least one significant name that merits further research and attention and which may help us to understand more fully the political and intelligence face of Clay Shaw: Peter Montgomery.

When I spoke to Harold Weisberg recently I thought he would be able to put me in touch with somebody playing Seth Kantor to Shaw's Jack Ruby. Weisberg told me there is no-one he knew of. I was disappointed to find that I was the only person driving down this highway, and doubly disappointed because I was just about to hit the off-ramp. I hope this piece prompts some other researchers to hit the road.

Further reading

Researching this article prompted my first major reading of the *Warren Report* in about 15 years, and it was quite startling to find what is included, even if none of the parapolitically significant stuff is ever followed up. It was even more startling to find what is excluded but that is another story. Appendix X111, 'Biography of Lee Harvey Oswald', is very useful for dates and non-controversial facts. The edition I used was that 'prepared' by Doubleday and Company, New York, 1964. This is the gentleman's edition, in hardcover, with 'An Analysis and Commentary by Louis Nizer' and 'A Historical Afterword by Bruce Catton.' *And* with extra illustrations, yet! I do not know whether Nizer is still enriching the Republic with his sage reflections but this from his opening essay should make him wince:

'The Commission has taken note of rumors in books, newspaper columns, radio or television programs, and lectures. It has set forth the facts and permitted the hobgoblins to vanish in their presence. Certain it is that those who have preened themselves on imaginative 'revelations', and even made a career of spreading them, will no longer be in business. A fact colliding with a theory, may produce tragedy. The report will be a tragedy for gossips and irresponsible experts.'

I am not quoting this to ridicule, but...no, come to think of it I am quoting this to ridicule Nizer. We may all have been young and innocent in those days but not that naive. The first book ringing a warning bell about the official investigation was written before Warren's *Report* was published and was based on the Washington 'line' that was being leached out of trusty establishment-oriented newspapers. This was Thomas G. Buchanan's *Who Killed Kennedy?* (New York, Putnam, 1964), which is still worth reading and is the only JFK book I know that demonstrates in a discussion of earlier US presidential assassinations that the 'lone mad assassin' was a tried and trusted formula for preventing light being shed on what was really happening.

In the opening section I rely heavily upon Henry Hurt's *Reasonable Doubt: An Investigation into the Assassination of John F. Kennedy* (New York, Holt, Rinehart and Winston, 1985) which on pp. 261-89 contains one of the best and most balanced accounts of the Garrison-Shaw episode. Hurt is also very good on Oswald and the New Orleans milieu generally. Highly recommended. Also useful was Edward Jay Epstein's lengthy 'Garrison' that took up nearly the whole of the 13th July 1968 issue of *The New Yorker* under the 'Reporter at Large' department. I understand this piece was the basis for Epstein's *Counterplot* (New York, Viking Press, 1969) but I have not seen this.

James Kirkwood's *American Grotesque: An Account of the Clay Shaw-Jim Garrison Affair in the City of New Orleans* (New York, Simon and Schuster, 1970) is the best day-to-day account of the trial and events down in New Orleans. Kirkwood is unashamedly pro-Shaw but reports Garrison's case and the courtroom events with something approaching dispassion and presents his own views as that and nothing else. I have a few other reservations about Kirkwood but no student of Garrison can afford to be without this account. Kirkwood met Clay Shaw at a dinner party given by the author James Leo Herlihy. Herlihy was an old friend of Kirkwood's, but where did the novelist meet Shaw? According to a recent issue of *The New York Times Book Review* Kirkwood died in 1989.

Garrison's own two books *A Heritage of Stone* (New York, G.P. Putnam's Sons, 1970) and *On the Trail of the Assassins: My Investigation and Prosecution of the Murder of President Kennedy* (New York, Sheridan Square Press, 1988) tell us more about the district attorney than they do about Shaw. The latter is the more relevant of the two.

Harold Weisberg admits that his *Oswald in New Orleans: Case of Conspiracy with the C.I.A.* (New York, Canyon Books, 1967) was hurriedly written and needs some surgery, but nonetheless it remains a valuable, comprehensive work that can still hold its head high. Garrison contributes a foreword.

Joachim Joesten's *The Garrison Enquiry: Truth and Consequences* (London, Peter Dawney in association with Tandem Books, 1967) is a breathless scissors-and-paste job by the veteran German journalist. (Was it the CIA who leaked a Gestapo [yes, *Gestapo*] memo to the Warren Commission dated something like 1938 that said Joesten was an active Communist?)

For a full bibliography on Garrison-Shaw books and articles up to 1979 see pp. 188-97 of DeLoyd J. Guth and David R. Wrone's *The Assassination of John F. Kennedy: A Comprehensive Historical and Legal Bibliography 1963- 1979* (Westport, Connecticut, Greenwood Press, 1980): a volume worth its weight in gold and one that badly needs updating. Guth and Wrone also detail every relevant article in *The New York Times* relating to the Garrison inquiry.

For more up-to-date accounts of Oswald and New Orleans see Anthony Summers' *Conspiracy* (New York, McGraw-Hill, 1981) and John F. Davis' *Mafia Kingfish: Carlos Marcello and the Assassination of John F. Kennedy* (New York, McGraw-Hill, 1989). Davis makes a valiant attempt to stick the assassination on Marcello but his argument relies too heavily on selective evidence and special pleading. Nevertheless a provocative and useful book.

Acknowledgements

Aside from those people mentioned or alluded to in the foregoing, I would also like to thank the following for their help: Timothy D'Arch-Smith, Allen Daviau, Stephen Dorril, Nick Frewin, Mysha Frost, Robert Harbinson, Jim Hougan, Marthe Kurtyanek, Angie Liegh, Michael Mordaunt-Smith, Charles Peltz, Robin Ramsay and Chris Rushman.

L'Envoi

After finishing this I was fanning through the pages of Kirkwood's *American Grotesque* when a name caught my eye, an intriguing name. It occurs on p. 282 when Shaw's attorney, Irvin Dymond, is cross-examining Perry Russo in an attempt to find out whether he, Russo, had ever discussed the case with a Layton Martens who was then under indictment for perjury for refusing to cooperate with Garrison's investigation. Layton Martens - the name rang a bell. I checked through Shaw's address book and found the following:

Layton Martens
Box 544
U.S.L.
Lafayette, La.

Then I remembered a cross-examination much later in the book. It come on p. 407 when James Alcock, an Assistant District Attorney, has Clay Shaw on the witness stand:

Alcock: Did you know a Mr Layton Martens?
Shaw: Yes, sir, I did.
Alcock: Did you know he was [David] Ferrie's roommate?
Shaw: No sir, I did not.
Alcock: Do you know a James Lewallen?
Shaw: Yes.
Alcock: Did you know he knew David Ferrie?
Shaw: I did not.

Lewallen is not in the address book. But then who else is not who should be....?

Dean Andrews' testimony to the Warren Commission

The strangest thing about Jim Garrison's recent book on his investigation of the assassination is the fact that he never mentions Clay Shaw's homosexuality. This is about par for the course, for the number of gay men in and around the assassination -- Shaw, David Ferrie, J. Edgar Hoover -- is rarely commented on. To this list I would add Jack Ruby, who never married, lived with young men, owned a strip club yet never apparently showed any interest in the young women he employed, and appeared to be smitten with men in police uniforms. On the basis of this anecdotal evidence alone the rumours that Ruby was gay, that he hung out at the gym in the YMCA in Dallas, that he met Oswald when Oswald was living there, are of some interest.

It is in this context that the testimony to the Warren Commission of New Orleans lawyer Dean Andrews is so interesting. When I skimmed through the Warren Commission's twenty plus volumes of evidence and testimony twelve years ago Andrew's contribution practically leapt off the page, not just because of what he said, but because of the way he talked. The testimony of the other witnesses is extraordinarily dull and dry for the most part, hundreds of pages of (mostly white) Americans, trying their best to politely answer the questions of this team of big-wigs from Washington D.C.: yes sir, no sir, three bags full if you say so, sir. Then Andrews appears, bringing with him New Orleans' ethnic, cultural and sexual subcultures,

talking of 'blowing weed', 'freaky', 'cloud nine' etc., and the lifeless dialogue crackles into life. (See below for some brief extracts, about 5%, from Andrews' testimony.)

Andrews doesn't state that Oswald was gay, but certainly it is (just) suggested by Oswald's connections to the 'gay kids' and 'Clay Bertrand'. As Tony Frewin reminded me, Priscilla Johnson McMillan's dreadful book *Marina and Lee* contains considerable prurient detail on Oswald's violent and incompetent sexual relationship with Marina. Certainly there is nothing in that which would contradict the hypothesis that Oswald was a gay man struggling to resist his sexual identity in button-down, homophobic, white America.

All of which means? Nothing, perhaps: at best we have more layers to the onion, central figures in the drama with lives already draped in concealment, to whom we might properly attribute another layer of deception. Gay gangster, gay businessman, gay FBI boss, gay anti-Castro activist and, perhaps, emerging gay patsy. As Dean Andrews might have said, 'How d'you like them apples?'

Mr Liebler. I am advised by the FBI that you told them that Lee Harvey Oswald came into your office some time during the summer of 1963. Would you tell us in your own words just what happened as far as that us concerned?

Mr Andrews. I don't recall the dates, but briefly, it is this: Oswald came in the office accompanied by some gay kids. They were Mexicanos. He wanted to find out what could be done in connection with a discharge, a yellow paper discharge, so I explained to him he would have to advance the funds to transcribe whatever records they had up in the Adjutant General's office. When he brought the money, I would do the work, and we saw him three or four times subsequent to that, not in the company of gay kids. He had this Mexicano with him. I assume he is a Mex because the Latins do not wear a butch haircut.

Mr Liebler. The first time he came in he was with these Mexicans, and there were also some gay kids. By that, of course, you mean people that appeared to you to be homosexuals.

Mr Andrews. Well, they swish. What they are I don't know. We call them gay kids.

Mr Liebler. How many times did he come into your office?

Mr Andrews. Minimum of three, maximum of five, counting initial visit.

Mr Liebler. And did you talk about different subjects at different times? As I understand it, the first time he came there, he was primarily concerned about his discharge, is that correct?

Mr Andrews. Well, I may have kept the subject matter of the visits reversed because with the company he kept and the conversation -- he could talk fairly well -- I figured that this was another one of what we call in my office free alley clients, so we didn't maintain the normalcy with the file that -- might have scratched a few notes on a piece of pad, and 2 days later three the whole thing away. Didn't pay too much attention to him. Only time I really paid attention to this boy, he was in the front of the Maison Blanche Building giving out these kooky Castro things.

Mr Liebeler. When was this, approximately?

Mr Andrews. I don't remember. I was coming from the NBC building, and I walked past him. You know how you see someone, recognize him. So I turned around, came back, and asked him what he was doing giving that junk out. He said it was a job. I reminded him of the \$25 he owed the office. He said he would come over there, but he never did.

Mr Liebeler. Did he tell you that he was getting paid to hand out this literature?

Mr Andrews. Yes.

Mr Liebeler. Did he tell you how much?

Mr Andrews. No.

Mr Liebeler. Do you remember telling the FBI that he told you that he was being paid \$25 a day for handing out these leaflets?

Mr Andrews. I could have told them that. I know I reminded him of the \$25. I may have it confused, the \$25. What I do recall, he said it was a job. I guess I asked him how much he was making. They were little square chits a little bit smaller than the picture you have of him over there [indicating].

Mr Liebeler. He was handing out these leaflets?

Mr Andrews. They were black-and-white pamphlets extolling the virtues of Castro, which around here doesn't do too good. They have a lot of guys, Mexicanos and Cubanos, that will tear your head off if they see you fooling with these things.

Mr Liebeler. My understanding is, or course, that you are here under subpena and subpena duces tecum, asking you to bring with you any records that you might have in your offices indicating or reflecting Oswald's visit, and my understanding is that you indicated that you were unable to find any such records.

Mr Andrews. Right. My office was rifled shortly after I got out of the hospital, and I talked with the FBI people. We couldn't find anything prior to it. Whoever was kind enough to mess my office up, going through it, we haven't found anything since.

Mr Andrews. No; nothing at all with Oswald. I was in Hotel Dieu, and the phone rang and a voice I recognized as Clay Bertrand asked me if I would go to Dallas and Houston -- I think -- Dallas, I guess, wherever it was that this boy was being held - and defend him. I told him I was sick in the hospital. If I couldn't go, I would find somebody that could go....

Mr Liebeler. You told him you were sick in the hospital and what?

Mr Andrews. That's where I was when the call came through. It came through the hospital switchboard. I said I wasn't in shape enough to go to Dallas and defend him and I would see what I could do.

Mr Liebeler. Now what can you tell us about this Clay Bertrand? You met him prior to

to that time?

Mr Andrews. I had seen Clay Bertrand once some time ago, probably a couple of years. He's the one who calls in behalf of gay kids normally, either to obtain bonds or parole for them. I would assume that he was the one that originally sent Oswald and the gay kids, these Mexicanos, to the office because I had never seen these people before at all. They were just walk-ins.

Mr Liebeler. Is this fellow a homosexual, do you say?

Mr Andrews. Bisexual. What they call a swinging cat.

Mr Liebeler. And you haven't seen him at any time since that day?

Mr Andrews. I haven't seen him since.

Mr Liebeler. Now have you had your office searched for any records related to Clay Bertrand?

Mr Andrews. Yes.

Mr Andrews. I wish I could be more specific, that's all. This is my impression, for whatever it's worth of Clay Bertrand: His connection with Oswald I don't know at all. I think he is a lawyer without a brief case. That's my opinion. He send the kids different places. Whether this boy is associated with Lee Oswald or not, I don't know, but I would say, when I met him about 6 weeks ago when I run up on him and he run away from me, he could be running because he owes me money, or he could be running because they have been squeezing the quarter pretty good looking for him while I was in the hospital, and someone might have passed the word he was hot and I was looking for him, but I have never been able to figure out the reason why he would call me, and the only other part of this thing that I understand, but apparently I haven't been able to communicate, is I called Monk Zelden on a Sunday at N.O.A.C and asked Monk if he would go over -- be interested in a retainer and go over to Dallas and see about that boy. I thought I called Monk once. Monk says we talked twice. I don't remember the second. It's all one conversation with me. Only thing I remember about it, while I was talking with Monk, he said, "Don't worry about it. Your client just got shot". That was the end of the case. Even if he was a bona fide client, I never did get to him; somebody else got to him before I did. Other than that, that's the whole thing, but this boy Bertrand has been bugging me ever since. I will find him sooner or later.

Mr Liebeler. Does Bertrand owe you money?

Mr Andrews. Yes; I ain't looking for him for that, I want to find out why he called me on behalf of this boy after the President was assassinated.

Mr Liebeler. How come Bertrand owes you money?

Mr Andrews. I have done him some legal work that he has failed to pay the office for.

Mr Liebeler. When was that?

Mr Andrews. That's in a period of years that I have -- like you are Bertand. You call up

and ask me to go down and get Mr. X out. If Mr X doesn't pay on those kinds of calls, Bertrand has a guarantee for the payment of appearance. One or two of these kids had skipped. I had to go pay the penalty, which was a lot of trouble.

Mr Liebler. You were going to hold Bertrand for that?

Mr Andrews. Yes.

Mr Liebler. Did Oswald appear to you to be gay?

Mr Andrews. You can't tell. I couldn't say. He swang with the kids. He didn't swish, but birds of a feather flock together. I don't know any squares that run with them. They may go down to look.

The who shot John?

Suddenly we've got Kennedy assassins all over the place. In August, the former Dallas policeman Roscoe White was identified as the shooter on the grassy knoll by his son, after an alleged death-bed confession in 1973. Reports from the buff community in the United States are mixed. Attracting less attention, on May 11th the JFK researcher Gary Shaw held a press conference in Texas and announced that from an (unnamed) mafia source he had learned that a series of attempted assassinations had been planned in November 1963, organised by the mafia. The successful attempt allegedly involved Sam Giancana, Charles Nicoletti, John Rosselli and Jack Ruby, all now dead, with Nicoletti firing the fatal shot. The unnamed source originally contacted Anthony Summers. This was reported in *Conflict* no 4. (*Conflict* has since ceased publication. A note in issue 5 reported a 'a lack of interest on the part of an overwhelming majority of those who have received many free issues and have elected not to subscribe.')

In the late 1970s Nicolletti featured heavily on Mae Brussel's radio programme for a while, though I have now forgotten in which context. We recently received a note about the Mae Brussel Research Center announcing that it had closed, apparently through lack of financial support. Brussel's library and files are now in storage. Interested parties could try contacting what is left of the organisation on 415 658 1855.

A third allegation is included in *The Squad: the US Government's secret alliance with organized crime*, Michael Milan, (Prion/Multimedia, London 1989) 'Michael Milan' is the pseudonym of someone who claims to have been a former OSS member and minor criminal recruited just after the war by J. Edgar Hoover into a covert FBI assassination squad. Just after the assassination 'Milan' claims he was sent by Hoover to Dallas to murder a taxi driver. Before dying the taxi driver confessed that he had been part of a (failed) Jack Ruby-sponsored assassination attempt aimed, not at Kennedy, but at governor John Connally! Although this section is rather garbled, 'Milan' appears to be telling us that the taxi driver's version of the shooting in Dallas was not a million miles from that described in the first volume of the Shea/Wilson fantasy *The Illuminatus Trilogy*, with teams of would-be assassins bumping into each other in the bushes behind the grassy knoll. If true, 'Milan's' book is a sensation. As nothing at all seems to have appeared in the UK media on it, I assume it to be deemed a fantasy. Information on Mr 'Milan' most welcome. As for the successful assassination in Dallas, 'Milan' quotes Hoover as telling him 'I'll just say: Johnson. No doubt. We stand away.' (pp. 209/210)

The economic background to appeasement and the search for Anglo-German detente before and during World War 2

Scott Newton

'The tragic and paramount thing about the rise of the new Anglo-German war was that Germany demanded an equal place with Britain as a world power and that Britain was in principle prepared to concede. But, whereas Germany demanded immediate, complete and unequivocal satisfaction of her demand, Britain -- although she was ready to renounce her Eastern commitments.....as well as to allow Germany a predominant position in East and Southeast Europe and to discuss genuine world political partnership with Germany - wanted this to be done only by way of negotiation and a gradual revision of British policy. This change could be effected in a period of months, but not of days or weeks.'

From Helmut von Dirksen's Survey of his Ambassadorship in London, May 1938 - August 1939 (Documents and Materials Relating to the eve of the Second World War, volume II: *The Dirksen Papers*: Moscow, 1948, p.189.)

The Interwar Political Economy

A vast and varied literature has been devoted to Britain's appeasement of Germany. Historians have, however, generally viewed the subject as a diplomatic initiative which, in maintaining world peace, would preserve harmony within the British Commonwealth and Empire, encourage the revival of international trade, and avoid placing impossible strains on the nation's finances. (1) It is hard to find an account of appeasement which relates it to the domestic politico-economic background from which it was developed. Yet it is arguable that any foreign policy reflects the interest of the nation-state in shaping an international environment congenial to its own preservation. This paper is the beginning of such an account.

Between 1921 and 1940 the formulation of British economic policy was dominated by the Treasury, the Bank of England and the City of London. This 'core institutional nexus' (2) was committed to the defence of free enterprise and the limited state against the internal threat of socialism and the external menace of Bolshevism. This meant that administrations eschewed experimentation with unorthodox finance, associated in particular with Lloyd George, Oswald Mosley and J. M. Keynes. Piecemeal social reforms, such as the extension of unemployment insurance and modest welfare benefits were introduced, but the budget was to be kept in balance, and administrations took the view that the problems of surplus industrial capacity could best be solved by the encouragement of rationalisation.(3) Britain's historic external economic orientation, mediated through the City of London's role as a provider of shipping, banking and insurance services and a source of investment to the rest of the world, and through the preservation of sterling's status as an international currency, was rapidly reestablished after the vicissitudes of 1919-25 and underlined by the return to the gold standard in 1925.

This 'normalcy' would not have held the field for so long had its appeal been limited to Whitehall and the Square Mile. At the beginning of this period the preoccupations of the core institutional nexus matched those of industrialists. The demands of economic mobilisation for the war had resulted in a dramatic extension of both of state intervention and of trade union collective bargaining rights. Accepting that such developments followed from national emergency, for a time some employers had even backed the calls of the labour movement for the maintenance of wartime industrial arrangements into the period of reconstruction. But as the combination of the Bolshevik revolution and full employment generated unprecedented self-confidence in organised labour, strikes became common and employers became concerned that the balance of social forces might swing irreversibly toward the union movement. By 1919 the more powerful employers' organisations such as the Engineering Employers Federation sought the restoration of managerial authority, and generally backed the deflation and retrenchment which were the price of attempting a return to the pre-war order. (4)

At the same time the pursuit of 'sound money' and a fixed exchange rate benefited an expanding middle class whose wealth was based on personal savings. In 1901-13 small savings amounted to only 13.2 per cent of net accumulation, but by 1924-35 they had risen in volume to take over half the total net investment.(5) The figures reflect the increase in numbers of the lower middle class and white collar workers generated by the vitality of the service sector, particularly around London and the Home Counties. Employment in occupations such as retail distribution, entertainments and local government grew by 873,000 between 1921 and 1931. Over the same period employment in primary and secondary industries fell by 957,000. (6) All this made for a large constituency, based at the popular and the political level on a fusion between the pre-1914 Liberal and Conservative parties, in favour of a liberal, anti-inflationary and anti-labour economic policy, which the Establishment used to construct a hegemonic bloc which dominated British politics up to 1940.

This dominant alliance was so well entrenched that it was able to survive the financial crisis of 1931 by making only tactical adjustments to the liberal trajectory of policy. Departing from the gold standard and adopted a floating exchange rate permitted the pursuit of a 'cheap money' policy based on a low bank rate. This stimulated the growth of private house building particularly in the suburbs of London, Birmingham and Manchester, leading to the expansion of firms producing cars, electrical and domestic appliances. But the rationale for this superficially unorthodox move was as much a desire to reduce the burden of the national debt on the government's budget as an early flirtation with demand management. Reflation based on public investment remained anathema. They believed that it would require either a self-defeating increase in taxation; a programme of deficit financing which would crowd out private borrowers and force up interest rates; or an inflationary fiscal stimulus which would, in the absence of devaluation -- unacceptable, given the worldwide role of sterling -- set off a balance of payments crisis. The confidence of the international financial community in London would be shaken, capital would leave the country and only an increase in interest rates would be likely to stop the haemorrhage. These constraints precluded all policy options save one: the 'Treasury view'. As a result stagnation, ameliorated only by state-encouraged rationalisation, remained the norm throughout much of the economy, above all in the coal, shipbuilding and textile industries. (7)

The National Governments never questioned the value to the country and to the world economy of maintaining sterling's role as an internationally convertible currency, and

they sought to prevent its depreciation from going too far after leaving the Gold Standard.(8) Indeed, in 1936 a substantial step towards returning to a fixed exchange rate was taken with the Tripartite Monetary Agreement with France and the United States. It is true that tariffs and a system of imperial preference were introduced in the early 1930s, but while protectionism did afford benefits to certain British manufacturers, notably of steel, via the tariff, it also safeguarded the balance of payments, and hence the exchange rate. Preferences also guaranteed markets in Britain to countries, mostly in the Commonwealth and Empire (such as Australia and India) which were short of sterling and so protected the City of London from a damaging series of defaults. (9)

Throughout the 1930s British governments worked for the liberalisation of an international economic system characterised by barriers to the movement of goods and capital imposed by countries confronted by the loss of export markets and foreign exchange as a result of the slump. (10) The liberal-capitalist British state required an export-led recovery which would be guaranteed by an increasingly open world economy: only this path to prosperity could be squared with the interests both of its governments' supporters in the electorate and of its ruling elite.

The Anglo-German Connection

By the time Neville Chamberlain became Prime Minister in early 1937 it was clear that the future of the orthodox strategy for recovery turned on relations between London and Berlin. The interests of both the financial and industrial communities -- key members of the dominant alliance -- dictated close Anglo-German co-operation. The City's interest stemmed from its financial commitments there which had grown considerably after 1919. London banks had raised money for the reconstruction of German cities and had provided a considerable volume of finance, often in the form of short-term credits, for German foreign transactions. The acceptance business had proved lucrative, especially for large, prestigious firms like Kleinworts and Schrodgers, in the prosperous years of the middle and late 1920s, helping Germany to maintain extensive trading connections not just with the United Kingdom but with the Dominions and the rest of the world.(11)

This process was encouraged by the Bank of England through its Governor, Montague Norman, and by successive administrations. Norman viewed the penetration of British finance into central and eastern Europe (the Bank had assisted in the Austrian and Hungarian currency stabilisations of the early 1920s) as a means of re-establishing Britain's prewar international banking pre-eminence. (12) He was also keen to develop an Anglo-German financial partnership (13) to thwart French and American aspirations to continental hegemony and construct a European economy whose prosperity would be guaranteed by commercial and industrial collaboration between its two leading members. (14) At the same time, of course, the rebuilding of Germany as a flourishing capitalist state would provide a guarantee that Bolshevism would fail to spread beyond the borders of the Soviet Union.

The level of Britain's financial commitment was such that the outflow of capital from Germany during the crisis of 1931 caused great anxiety in the City. A rush to call the loans in was averted by the Governor of the Bank of England, Montagu Norman, who believed that a flood of panic withdrawals would simply result in moratoria all over central Europe, with disastrous consequences for London, New York and the whole international banking system.(15) A \$100 million central bank credit to Germany was

renewed, keeping the German banks afloat. The next step in managing the crisis came with the International Standstill Agreement of 19 September 1931, whereby it was accepted that existing credits would be frozen, while interest payments continued.

The Standstill Agreement was meant to be temporary but was renewed in early 1932 and every year thereafter until 1939, despite the unhappiness of many of those involved in the provision of credit to Germany. For Nazi German economic policy flew in the face of the liberal principles held by the City. Under the direction of Hjalmar Schacht at the Reichsbank the Germans introduced a complex system of controls over imports and the use of foreign exchange. Trade policy was founded more and more on barter agreements with neighbouring countries which provided food and raw materials in exchange for manufactured goods, any difference in value being made up in non-convertible marks usable only in Germany. This made possible a cheap money policy and conservation of the hard currency without which neither the recovery programme nor the increasingly obvious rearmament could have been financed. London banks became uncomfortable and in 1934 negotiations for the renewal of the Standstill Agreement came close to the point of breakdown. The British considered the possibility of a unilateral clearing as the Germans made trouble about interest rates on the debts. But the Joint Committee of British Short-Term Creditors, influenced by F.C. Tiarks, a partner in Schroder's and a director of the Bank of England, drew back, fearing a German moratorium and the implications of this for the acceptance houses in the City. The Agreement was saved and financial relations were formalised through the signature of a Payments Agreement allowing the Germans to use 55 per cent of the sterling earned through trade with Britain to be spent on purchases therefrom and 10 per cent to go to the servicing of the debts. (16)

The last period of peace, 1938-39, saw renewed crisis. First of all Germany threatened not to take over Austria's international debts after the Anschluss. Then it became clear that in line with the autarkic trajectory of Nazi economic policy, the credits were being used not to finance trade so much as internal investment. Once again the threat of a clearing loomed. Yet the Payments Agreement was renewed and the Standstill arrangements were only terminated on the outbreak of war.

The City clung to its links with Germany, despite these provocations, for negative and for positive reasons. For a start it was hoped that the maintenance of the credit lines and the provisions of the Payments Agreement would provide the Nazis with the foreign exchange to purchase not only from Britain but from primary producers overseas. Many of these were Commonwealth and Empire countries which were in serious debt to London, and the opportunity of exporting to Germany provided one insurance against the danger of defaults. (17) Secondly, the City needed the business which would follow from an expansion of German trade. Thirdly, in the words of Sir Frederick Leith-Ross, the senior Treasury official given the task of working with the banks to preserve the Standstill and Payments arrangements:

If we were to abrogate the agreement some 40 million of short-term bills could no longer be carried by the London market and at least a proportion of these would have to be supported by the Government, while a further 80 or 90 million of long-term debts would come into default. The net effect would be seriously to disorganise the London market and to weaken our balance of payments, without any advantage to us. (18)

This was said in January 1939 and similar arguments were being repeated right into

the spring, after the invasion of Czechoslovakia. (19)

It was not, however, simply a Hobson's choice for the City. The financial ties between the two countries provided a rationale for economic detente which was not simply motivated by fear. Britain and Germany were the two largest capitalist economies in Europe. Their banking institutions had collaborated for decades, to considerable mutual advantage. Germany was Britain's leading customer outside the Empire and over the years had brought a good deal of business the City's way. The Standstill negotiations had been fraught with difficulties but they had nevertheless generated an unusually close working relationship between the banking representatives of each nation, symbolised in the co-operation of Norman with his opposite number Schacht. In Norman's words an 'Anglo-German connection' (20) had been created. The Nazis, after all, had only been in power for a few years. Behind them were sensible figures like Schacht who, it was hoped, would be able to steer Hitler in the direction of a more open and orthodox economic policy so that, as Tiarks said in March 1939, 'free and active relations between German banks and industry.....and their London counterparts are reestablished....This development is not so far away as it seemed a short time ago'. (21) It was important that there be no confrontation with Berlin, either over the debts or over Nazi foreign policy. A tough approach might lead to the downfall of Schacht, the Nazis would probably denounce the Payments Agreement, and City banks would lose millions of pounds and 'the traditional machinery of the Anglo-German connection' (22) would break down.

The Anglo-German Fellowship

There was more riding on 'the Anglo-German connection' than the fate of the Standstill credits. Its collapse would undermine everything Norman had been working for in since 1919. Only domestic socialists and their friends in the USSR, the avowed enemy of capitalism, would benefit from a worsening of relations between London and Berlin. In these circumstances it was not surprising that important banks and their directors figured prominently on the membership list of the Anglo-German Fellowship, formed in 1935 to foster good relations between Britain and Germany. Schroder, Lazard and the Midland, for example, were corporate members. At the same time Tiarks, notwithstanding his work for Schroder and for the Bank of England, joined in an individual capacity, as did Lord Stamp and Sir Robert Kindersley, both Governors of the Bank of England, and Lord Magowan, Chairman of the Midland Bank. The Fellowship was a powerful lobby for harmony between the two countries additional to the one created by its historic, but more informal ties with the Treasury. (23) The deteriorating international climate of summer 1939 does not appear to have caused many second thoughts, and negotiations to settle 'the international debts question' were amongst the proposals for Anglo- German co-operation launched in great secrecy by the British government that July. (24)

The Anglo-German Fellowship was not just banking interests and their representatives. Corporate members included large firms, such as Firth-Vickers Stainless Steels, Unilever and Dunlop, whilst the directors of leading industrial concerns, for example Imperial Chemical Industries, Anglo-Iranian Oil, Tate and Lyle and the Distillers Company, joined as private individuals. (25) For industry as a whole co-operation with Germany was a logical strategy, given the international economic circumstances of the 1930s.

The mid to late 1920s had seen an expansion of the international economy, with

advanced capitalist powers such as the United States, France and Germany enjoying relatively high levels of growth and employment, stimulated by the European reconstruction boom. The British economy, however, had not fully shared in this prosperity. The return to gold at the pre-war parity had created severe problems for an industrial society so heavily dependent on the export of a limited range of goods such as ships, coal and textiles. But although unemployment exceeded one million in 1929 the consensus inside British industry, articulated by its representative organisation, the Federation of British Industries (FBI), remained favourable to the continuation of free trade. The position changed, as it did elsewhere, with the slump. As bankruptcies and factory closures proliferated governments throughout the world embraced economic nationalism. In Britain the depression intensified existing deflationary pressure and the FBI swung round to a pro-tariff position in 1930. (26) At first it was hoped that domestic profits and jobs could be protected through the economic reorganisation of the Empire and Commonwealth, leaving Britain as the major industrial producer and the Dominions and colonies as suppliers of food and raw materials. The high hopes placed in the Ottawa agreements of 1932 were soon disappointed when governments in Australia, Canada and New Zealand made it clear that they were seeking to diversify out of primary products to be less vulnerable to international market forces and were not prepared to contemplate industrial rationalisation for the sake of the Mother country. (27)

By the mid 1930s British industrialists had lost confidence in the viability of an Imperial economic strategy. Equally, however, they had not recaptured their faith in free trade. The international persistence of unused capacity, low profits, unemployment and low prices made a nonsense of classical liberal teaching that economic systems were self-correcting. Secondly, the growing complexity of modern scientific industry since 1900, producing vehicles, aircraft, oil, chemicals, detergents and electrical equipment, meant expensive outlays on investment, research and development, and trained managerial personnel. (28) Throughout the advanced industrial world the trend was to economies of scale and large firms able to control all the processes of production and distribution. Such powerful industrial corporations and combinations -- for example, AEG or US Steel -- had become common in Germany and the United States by 1914. Even in Britain, where they were less common, the share of net output taken by the largest 100 firms in 1930 had reached 26 per cent (29), and Britain's industrial structure was dominated by a handful of giant companies, such as ICI, Unilever, Distillers and Vickers Armstrong. (30)

The repudiation of unfettered free enterprise followed naturally from the creation of these monopolies and quasi-monopolies because the risks inherent in unrestricted competition, now significantly dubbed 'wasteful', were vast. Notwithstanding surplus capacity and stagnant demand, price cutting in order to clear the market flew in the face of economic logic when overheads were so high. At the same time proto-Keynesian schemes designed to stimulate expansion through public investment were regarded with suspicion in the United Kingdom: it was believed that their fiscal implications would ultimately damage recovery. (31) Circumstances therefore demanded a new approach, international economic planning conducted by governments and industry working together across national boundaries to protect market shares and prices, sustaining the profitability which in turn would generate confidence and hence capital spending. (32) The large corporation adopted a strategy dependent upon cartelisation and the encouragement of bilateral negotiations between governments to reduce tariffs.

Co-operation with German industry became central to this strategy. German firms were major rivals internationally and, as Britain's fourth largest customer in 1929, (33) Germany itself was a lucrative market for exports. ICI set the example as early as 1930 when it concluded a series of agreements with its major rival, I. G. Farben, to share patents and world markets.(34) Other companies took longer to follow but the years after 1936 saw a determined drive for industrial detente, the catalyst being British anxiety about the precarious nature of German recovery. The FBI feared that having satiated demand in eastern Europe German producers would begin to dump exports in traditional British markets within the Empire and Latin America; or, even worse, that the Nazi experiment would collapse through a shortage of hard currency so acute that imports into the Reich would effectively cease. British industry would lose out not just in Germany but also in primary producing economies where purchasing power had recently revived as a result of German expansion. Trade statistics were already reflecting this development (a balance of payments surplus of 32 millions in 1935 had swung to a deficit of 52 millions in 1936) and talks became a matter of urgency so that exports to a buoyant German economy could be sustained.(35) From this point, therefore, negotiations were conducted both between the FBI and its opposite number, the Reichsgruppe Industrie (RI) and between specific industrial groups.(36) The discussions between the FBI and the RI were designed

to agree upon prices. Subsidiary to this, it may be possible (in some trades) to keep off certain markets; and it may be possible to prepare the way for reduction of UK duties on certain German goods. (37)

The hope was that discussions would produce terms for co-operation in mutual trade and in third markets, paving the way for 'much closer relations between German and British industries', founded on comprehensive cartel arrangements. Given the contemporary international climate and the government's mounting defence budget, it could be argued that British producers should have been happy with the economic benefits of rearmament. But memories of the recession caused by demobilisation after 1919 were still clear and the FBI's chosen strategy was generally welcomed because it implied long-term stability.(38)

By the end of March 1939 it seemed as if the ground had been cleared for Anglo-German industrial detente. British and German companies were members of cartels covering the production of iron and steel, tubes, wire rods, nitrates, salts, acids, lead, cement, silk, coal, coke, electrical goods, locomotives and cotton spinning machinery. (39) At the same time representatives from the FBI and the RI had just agreed, in Dusseldorf, on the principles of a far-reaching programme to co-operate not simply in price-fixing but also in a joint effort to stimulate international consumption of their members' products, with the ultimate objective an ordered system of world trade based on partnership between British and German industry. The Dusseldorf negotiations reached a satisfactory conclusion even though the invasion of Czechoslovakia took place while they were in progress, and prominent industrialists supported appeasement throughout the spring and summer of 1939. In August a delegation of leading British businessmen secretly met Goering, who was in overall charge of German economic planning, to sound out the possibilities of British mediation in the German-Polish dispute. The prospect of an Anglo-German division of world markets was discussed (40); but the Polish refusal to compromise with German demands guaranteed that the industrialists would be unable to influence the course of events.

The peacemongering of the industrialists, like that of bankers, was encouraged by the

government. The FBI party which departed for Dusseldorf was told that 'the peace of Europe' rested in its hands (41), and Lord Halifax, the Foreign Secretary, was fully informed about the August mission to meet Goering. The private interest of finance and large-scale industry worked with the grain of public policy. The level of political access enjoyed by organisations such as the Anglo-German Fellowship and the ministerial support for the industrial diplomacy of the FBI make it hard to distinguish between the international interests of the state and the foreign policy of powerful economic pressure groups.

The assumption of power by the Nazis Germany had provided Britain both with a challenge and an opportunity. The challenge was rooted partly in the unorthodox economic policy of the National Socialists. The development of an increasingly autarkic system in central Europe conflicted with the liberalising thrust of British government policy and more directly threatened to reduce the contribution of exports to the balance of trade. But Britain's strategy for national and international economic recovery was also threatened by Nazi foreign policy. British governments were mainly sympathetic to German demands for a revision of the Treaty of Versailles. They gave the stamp of approval to Berlin's disregard for its military provisions with the conclusion of the Anglo-German Naval Agreement in 1935. In 1936 Britain took no punitive action when Germany reoccupied the Rhineland. They worried however that Nazi territorial ambitions went beyond recapturing German territory removed at the 1919 peace settlement, and, if achieved, might threaten the European balance of power upon which British security rested. (42)

London did not, however, wish to respond to Nazi expansionism with an aggressive diplomacy which aimed to encircle Germany with hostile powers and engage it in an arms race. It is true that rearmament was accelerated under Chamberlain and to this end the government was even prepared to compromise with the balanced budget, taking out in 1937 a loan of 400 millions, repayable over 5 years at 3 per cent. But this represented the modification rather than the abandonment of financial orthodoxy. With the backing of the Prime Minister, the Treasury insisted that borrowing be limited to a figure commensurate with the savings of the public out of anxiety lest a more ambitious scheme commit the government to printing money. This, it was argued, would intensify inflationary pressures, damaging the creditworthiness of the City and inflicting injustice on the owners of fixed incomes.(43) Thus the defence programme was essentially limited to the construction of a deterrent force of fighters and bombers, the more expensive task of investment in substantial ground forces being left to the French. (44)

The British government might have been able to square a confrontational policy towards Germany with its domestic and international objectives had it been prepared to ally against Nazism with the USSR and the USA. But Chamberlain and Halifax, Foreign Secretary after Anthony Eden's resignation in 1938, feared the westward spread of Bolshevism and did not wish to encourage this by integrating the USSR into the mainstream of European diplomacy. (45) Anglo-Soviet talks did take place in the late spring and summer of 1939 but the half-hearted manner in which London pursued these negotiations has been a subject for comment before (46) and it is arguable that for Chamberlain they were merely a way of pressing the Germans to come to an accommodation with the British.(47) At the same time the Prime Minister distrusted American economic expansionism. He recognised the importance of friendly relations with the United States, but was aware that in the event of war Britain's dependence on American munitions and capital goods might well exceed its ability to pay for them,

upsetting the balance of payments and putting downward pressure on the exchange rate. Since British gold reserves fell in value from 836 millions to 460 millions between the end of March 1938 and the end of August 1939 as rearmament sucked in an increasing volume of imports from the USA, there was some justification for this view.(48) But there was more: the talks which had eventually led to the conclusion of the 1938 Anglo-American Commercial Agreement had revealed the deep unpopularity of the Imperial Preference system which discriminated against American producers within the US government . Thus the price of assistance from the USA might well involve the demise of sterling as a world currency and the dismantling of Imperial Preference along with the reduction of Britain to the status of a satellite economy. (49)

A policy of accommodating Nazi Germany, by contrast, offered British governments a major opportunity. Schacht and Helmut Wohltat, a senior official of the German Economics Ministry and therefore responsible to Goering, recognised this and encouraged 'economic appeasement', giving British civil servants the clear impression that the Nazis would be prepared to modify their autarkic system of trade and payments in return for a loan of convertible sterling. (50) The opening up of the German economy was a highly attractive prospect to London because of its implications for domestic and international recovery. 1937-38 saw a downturn in world economic activity, with serious results not only for Britain's balance of payments but for unemployment which jumped from 10.1 per cent of the insured work force to 13.2 per cent.(51) But if the Germans took more British products the trade gap would narrow and joblessness would be reduced. At the same time the accessibility of the German market to producers in the Dominions would help sterling debtors to avoid default and provide an expansionary twist to international trade. This was recognised in the revised Payments Agreement of 1938 under which 40 per cent of the sterling earned by Germany in trade with Britain could be used to purchase goods from any part of the world.

Yet there was more to German liberalisation than the direct benefits it would afford Britain and the world at large. British politicians and civil servants believed that attracting Germany away from autarky was essential to the creation of international political and economic stability. Nazi expansionism in central and eastern Europe was widely attributed to the German need for food and raw materials and the currency with which to purchase them. For a time London hoped that it might be possible to provide Germany with some of these, such as vegetable oils and fats, by returning colonies which had been transformed into League of Nations mandates by the Versailles Treaty.(52) Hitler was not interested in colonial concessions and by 1939 the consensus in the British government was that finance and trade were the keys to depriving Germany of an economic rationale for adventurism. Thus Frank Roberts, in the Central Department of the Foreign Office, argued against a British denunciation of the Payments agreement after the seizure of Czechoslovakia in March 1939.

In the present international situation the abrogation of the agreement and the adoption of a definite policy for the economic strangulation of Germany.....would I think certainly drive Herr Hitler to the desperate policy of provoking war now. (53)

By the same token the government granted an increasing volume of export credits to firms involved in trade with Germany right up to late August 1939. (54)

In July and August 1939 Chamberlain authorised the offer of a full-blown economic

partnership, incorporating the joint development of markets in the British Empire, China, and the USSR by British and German industry; the joint exploitation of African food and raw material resources; settlement of the international debt question; a loan for the Reichsbank; and recognition of German hegemony in eastern and south-east Europe. (55) The thinking was clear: constructive schemes of Anglo-German economic co-operation struck blows for peace because they proved to the Nazi leadership that there was no need for aggression. The path to lasting German prosperity could be cleared by commerce. It was appreciated in London that if Hitler were to have no grounds for aggressive behaviour any economic accommodation would have to be matched by territorial adjustments which recognised the legitimacy of Nazi aspirations to unite the German-speaking peoples. In 1938 Britain accepted the Anschluss and participated in the dismantling of the new Czechoslovak state. On the very eve of war the British suggested an Anglo-German non-aggression treaty and showed willingness to agree to Hitler's demands for Danzig and the Polish corridor. (56) The appeasement of Germany was an ambitious scheme to defuse international tension once and for all via an all-embracing Anglo-German agreement which would provide the foundation for co-operation between Europe's leading capitalist powers. (57) Stability would generate confidence, global trade and investment would expand, and the resultant prosperity would ensure the political survival of the National Government at the approaching General Election (due in 1940 at the latest) along with the liberal capitalist status quo it was determined to preserve at home and abroad. There would be no need to make compromising economic agreements with the United States, and the consolidation of German power in central and eastern Europe would mean the establishment of a strong counterweight to the Soviet Union.

War and Peace, September 1939 -- May 1941

Having failed to prevent a German invasion of Poland the British were forced to declare war on Germany on 3 September 1939 as a result of the guarantee they had given to Warsaw in March. Chamberlain was exceedingly reluctant to do this and it required a good deal of pressure from the Cabinet to make him act. (58) The outbreak of hostilities against Germany did not spell the end of hopes for appeasement. On September 2 Sir Samuel Hoare, Home Secretary and one of the leading proponents of appeasement, told a German journalist that 'Although we cannot in the circumstances avoid declaring war, we can always fulfil the letter of a declaration of war without immediately going all out.' (59) During Chamberlain's remaining eight months as Prime Minister this formed the basis of government policy, dignified by the term 'limited war', a 'strategic synthesis' (60) in which a partially mobilised Britain committed itself not to the total defeat of Germany but merely to the destruction of Hitlerism. The brunt of the fighting on the ground would be undertaken by the French, with Britain contributing air and naval support. It was the conventional wisdom that any German offensive would fail at the Maginot Line, German military failure in western Europe would be accompanied by social disintegration as a result of the economic blockade maintained by Britain, and Hitler would either be forced to surrender or he would be overthrown as a result of an internal revolution. (61) Through this 'strategic synthesis' Chamberlain hoped to square national security with the preservation of the inter-war status quo within Britain. Since there was to be no large-scale investment in the army, a rerun of the interventionism and budgetary unorthodoxy which had characterised state policy in the First World War would be unnecessary. The war could be fought according to Treasury rules. In line with this approach the Cabinet, anxious about an unbalanced budget, called for a review of the armaments programme in February 1940. In external economic policy, concern about

low foreign exchange reserves led to the organisation of an export drive in the winter of 1939-40; and in April the Chancellor, Sir John Simon, resisted calls for the intensification of exchange controls on the grounds that they would undermine the international attractiveness of sterling, sentiments with which the Bank of England wholeheartedly concurred. (62)

The government, however, did not sit back and wait for either a German mistake or the overthrow of Hitler. Almost from the very start of the war it was in clandestine contact with those it felt to be members of the resistance to Hitler -- apparently an assortment of Generals backed by a grouping of powerful industrialists such as the steel magnate Fritz Thyssen and by conservative and centrist political figures headed by Karl Goerdeler, the Mayor of Leipzig. The British took the view that Goering would be an acceptable transitional leader for Germany because he was not associated with the extremism and bad faith which had characterised the actions of Hitler and his Foreign Minister, Ribbentrop, after Munich. Throughout the autumn and winter of 1939-40 Goering encouraged these approaches. Through his friend Max von Hohenlohe-Langenberg's negotiations in Switzerland with London's agent Malcolm Christie, he led the British to believe that Germany did not have the food and raw material resources for a long war. Without going so far as to say that he would be prepared to replace Hitler, Goering did venture that he would be able to 'secure a new code and order in Germany and even a new constitution', and he received 'a Royal invitation to parley'. (63)

The approach to Goering failed because the British did not receive the commitment they wanted to the removal of Hitler. Talks with the Generals suffered a hiatus, as well, when two SIS officers who had been negotiating on the government's behalf were seized at Venlo in the Netherlands. Hitler put out the story that the SIS had been behind a bomb explosion at the Munich beer hall where he had launched his attempted 1923 putsch. (64) Nevertheless, discussions with the Generals and with the Goerdeler group were resumed at the end of 1939, and continued, sometimes with Vatican mediation, sometimes in neutral cities, into the early spring of 1940.(65) The peace terms broadly acceptable to the British did not alter significantly throughout this period. They centred in principle on the creation of a strong German state, acting as a buffer against the Soviet Union, under conservative leadership. Generally it was envisaged that Germany was to restore non-German speaking Poland and Czechoslovakia to independence, or at least to grant them autonomy; to retain hegemony over eastern and central Europe; and to adopt a liberal economic policy based on production for peace, a convertible currency, and participation in international trade.(66) The continuity with prewar discussions is obvious. With Hitler out of the way a lasting Anglo-German detente, with everything which that implied, would be possible. The declaration of war therefore cloaked the continuation of appeasement.

Although the documentary evidence is predictably thin, enough exists for us to identify some of those who backed Chamberlain's approach to the war. Given that an early peace would render unnecessary the extension of state and working class power which had characterised the British economy in the First World War, it is to be expected that 'a few big industrialists' were inclined to a compromise peace. (67) Chamberlain's correspondence reveals Lord Aberconway to be one of them, 68 and in view of his membership of the underground pro-Nazi organisation the Right Club, Alexander Walker, chairman of the Distillers Company, will have been another.(69) German Foreign Ministry papers refer to sentiments inside the City, motivated by

'anxiety about the value of the British currency' favourable to an Anglo-German accommodation. One banker who clearly subscribed to this opinion was Lord Holden of the Midland Bank, who, along with Aberconway, had gone to meet Goering in the abortive attempt at mediation made in August 1939. (70)

Within the Cabinet Halifax and Hoare identified themselves particularly strongly with Chamberlain's line, as did Rab Butler, the deputy Minister at the Foreign Office. Tory grandees such as the Duke of Westminster and Lord Londonderry, and the Duke of Buccleugh, brother-in-law of the King, were anxious about the future security of the British Empire should Britain become entangled in a continental war, emerging either defeated or vastly diminished in wealth, and they continually pressed for a quick conclusion to the war. (71)

But Hitler was not a liberal imperialist interested in a gentlemanly redistribution of the world's markets and raw material resources organised by Europe's two leading capitalist states. True, he had said in *Mein Kampf* that he wished for friendship with the British Empire but it was clear that in return for this he wanted a free hand not just in eastern and central Europe but throughout the entire continent. In short Britain had to abstain from any interest whatsoever in European affairs. Not even the Chamberlain government had been prepared to grant this, and until it, or a more pliable administration was, the war had to continue. In pursuit of his objectives Hitler launched the offensive of spring 1940, before his internal enemies had summoned the courage to strike, and inflicted shattering defeats on the Anglo-French allies. His successes left him unassailable in Germany: the conquests left the Generals without grounds for action and guaranteed that there would be no food and raw material shortage to provide a motive for a coup. Chamberlain's entire policy collapsed with the triumph of the blitzkrieg. It was appropriate that the Prime Minister should resign: in May 1940 a limited war was no option. In order to avoid total defeat Britain had to begin mobilising for total war.

Total war brought with it all the consequences feared by the interwar ruling bloc. The government was reconstructed and opened to key members of the Labour Party (Clement Attlee, the leader, his deputy Arthur Greenwood, A. V. Alexander, Hugh Dalton and Herbert Morrison) and to the country's most powerful trade unionist Ernest Bevin, General Secretary of the Transport and General Workers' Union. There is no need here to go into detail about the British wartime political economy. (72) Suffice it to say that the government introduced planning, the conscription of labour, intensified rationing and exchange controls, and abandoned the balanced budget in favour of the Keynesian technique of national income accounting. Desperate for American munitions, capital goods and food, the Churchill Coalition made a highly unequal exchange of strategic bases in the Caribbean for a handful of old US Navy destroyers, foreshadowing Lend-Lease and the dependence on the United States which Chamberlain and his supporters has been so keen to avoid.

Although appeasement ceased to be official government policy from the moment Churchill became Prime Minister, Halifax, Hoare, Butler, the Tory grandees and senior figures in the City, were still prepared to deal with Germany. Indeed after the fall of France they were willing to go beyond what Chamberlain had offered, and were reconciled to acknowledging complete German domination of the continent in return for a guarantee of security for the United Kingdom and the Empire and for control over the Royal Navy. So urgent did they believe the situation to have become that they did not even attempt to argue for the replacement of Hitler. (73) Although Halifax

failed to persuade the Cabinet to adopt this view, at the end of May both he and Butler continued to work behind the back of the Prime Minister for such a solution. In June they sent messages to Berlin through the Swedes that 'no chance would be missed to reach a compromise peace if opportunity were offered for reasonable terms and.....no die-hards would be allowed to stand in the way'. Prytz, the Swedish Minister in London, reported to Stockholm that supporters of Halifax in Parliament believed in the real possibility that he might replace Churchill at the end of the month and initiate negotiations with Germany. This news was however leaked to the press in Stockholm and Churchill was able to forestall any progress by making belligerent speeches which committed Britain to fighting on. (74)

A similar episode occurred in July, when Halifax's desire to explore Hitler's latest offer seriously was frustrated when Churchill ordered him to give a public rejection on behalf of the government. Churchill knew that he could not trust either Halifax or a large part of the Conservative Party. Londonderry, Buccleugh and Westminster, for example, were all placed under surveillance at various times. (75) Hoare was appointed British Ambassador to Spain. Although the approaches to Germany continued they had to become increasingly indirect and conspiratorial if they were to be secure. Thus at the end of November the former senior SIS officer in the United States, a banker named Sir William Wiseman, discussed terms with Fitz Wiedemann, once Hitler's adjutant, and Stephanie Hohenlohe-Waldenburg, a Nazi agent. Wiseman announced himself the spokesman for 'a British political group headed by Lord Halifax, which hopes to bring about a lasting peace'. He added that Halifax represented a 'very strong' political party in the Houses of Parliament which believed in co-operation between the British Empire, Germany and the United States.

In January 1941 Tancred Borenius, a Finnish art historian with good contacts inside the British government, floated some proposals through Carl Burkhardt, President of the International Committee of the Red Cross in Geneva. Both initiatives were fundamentally the same: restoration of Holland and Belgium; Denmark to remain in the German sphere of influence; Poland to be resurrected shorn of the German provinces; France to be re-established on the same model as Poland; Germany to have a free hand in eastern Europe; and the colonies removed under the Versailles Treaty to be returned to Germany. The only major concession for which the British peacemongers looked was the replacement of Hitler, something they believed attainable now that the defeat of the Luftwaffe in the Battle of Britain had strengthened their bargaining power by destroying the prospect of a German invasion. (76)

At this stage two developments occurred. First, the possibility of removing Hitler became acceptable to the German negotiators once more. Weidemann and Hohenlohe-Waldenburg, for example, suggested his replacement by the Crown Prince Otto, or by Heinrich Himmler, the Reichsfuhrer SS. In March 1941 Himmler himself asked Burkhardt whether he thought that the British would be prepared to negotiate with him rather than Hitler. (77) The reasons for this are obscure, but it may be that with the invasion of the USSR looming senior members of the Nazi hierarchy wished for a neutral Britain and believed they could achieve this if Hitler was no longer in power. The *quid pro quo* was the deposition of Churchill and the reconstruction of his government. Given that Churchill was committed to the war (in December 1940 he said that 'I would only have to lift my finger and I could have peace but I do not want it') this was logical enough and presented no problems for the British side.(78) Nevertheless the second development created difficulties for the peace party. In

December 1940, finally exasperated by Halifax's willingness to deal with the Germans, Churchill moved him out of the way by appointing him Ambassador in Washington. (79)

Churchill's opponents did not give up hope. Given the invulnerability of the United Kingdom to invasion and the impossibility of defeating Nazism in the absence of American and Soviet belligerence, which they did not want anyway, they believed that the Prime Minister's strategy was futile at best; (80) at worst, he was presiding over the socialisation of the country.(81) At the start of 1941 sentiment in the City of London was unfavourable to Churchill and positively inclined to peace.(82) Halifax may have been removed from the centre of things but there were other contenders for the leadership of the peace party well placed to take advantage of discontent in the Lords and the Commons. In early March 1941 Hoare met Max Hohenlohe, who was in fact a Nazi agent.(83) He said that

the position of the British government cannot remain secure. Despite recent American legislation providing for aid to Great Britain Churchill can no longer count on a majority..... sooner or later he will be called back to London to take over the government with the precise task of concluding a compromise peace.....he will only take this mission on condition that he has full powers.

Hoare went on to say that he would have to remove Anthony Eden (a supporter of Churchill and Halifax's replacement at the Foreign Office) to another Cabinet post, and replace him with Butler.(84) On May 10th Rudolf Hess landed in Scotland. Right up to that time there were powerful and well placed individuals who were in touch with the Germans in the service of a policy which was totally at variance with that of the government itself. It appears that both in June 1940 and in the early spring of 1941 they were fairly confident of their ultimate success in achieving an Anglo-German peace. Their failure in 1940 is not difficult to explain. But the absence of any obvious follow-up to Hoare's prediction of March 1941 is. It cannot be said that Churchill was saved by the course of the war at this time. Certainly it is interesting that by early June 1941 the last significant pre-war appeaser in the government, Butler, knew that he would be moving from the Foreign Office to the Board of Education.(85)

There is some evidence that Hoare for one continued to dally with the Germans.(86) It appears also that other clandestine talks continued in neutral capitals. In 1942 and 1943, for example, discussions centred on the possibility of an end to the war in the west, leaving Germany free to concentrate resources on the conflict with the USSR. But the feasibility of this project declined sharply after the commitment of the USA, the USSR and Britain to the unconditional surrender of Germany. The failure of the negotiations ensured that the scenario Chamberlain and his supporters in industry, the Bank of England and the City had feared did indeed come to pass. The politico-economic consequences of total war pushed British society to the Left and prepared the way for the election of a Labour government in 1945. Britain ended the war a junior partner in the 'special relationship' with the United States, and by 1945 the USSR was entrenched in the heart of Europe. By 1990, however, the Soviets had gone. Deeply unpleasant though the domination of the USSR over eastern Europe was for the people who lived there, was it not preferable to Nazi hegemony? And for many British citizens the destruction of Nazi and Fascist power and the movement of their own country towards social democracy was a welcome improvement on what had gone before.

Postscript: Hess, the historian, and conspiracy

In 1973 Hugh Thomas, a British Army surgeon working at Spandau prison in Berlin, examined prisoner number 7, otherwise known as Rudolf Hess. He was startled to find that the prisoner did not have any scars or marks or traces of any kind of injury on his torso, even though it was well known that Hess had been shot through the chest and seriously wounded in 1917. Mystified, Thomas began to research into the history of his patient. He continued with this work after leaving Spandau and wrote a book, the second edition of which, *Hess: A Tale of Two Murders*, was published in 1988.

Thomas concluded that the man who flew to Britain in May 1941 was not Hess but a double. Why? Thomas argued that for several months at least Hitler had been making peace overtures to a right wing cabal in Britain. Hitler's agent for contacting the British was his loyal deputy Hess, who before the war had shared Hitler's views regarding the desirability of Anglo-German co-operation. But the British peace party, a powerful group of Conservative M.P.s, peers and members of the Royal family, were unhappy about deals with Hitler: their trust in him had been shaken when he reneged on the Munich Agreement and invaded Czechoslovakia. Within the Third Reich two men who knew that Hitler was an obstacle to an Anglo-German agreement were Goering and Himmler. Goering's real influence had waned since the Battle of Britain but Himmler's had grown. In charge of the SS and the machinery of state security, Himmler was, in fact if not in name, the second most important man in Germany. He knew that Hitler planned to invade the Soviet Union and believed that it might end disastrously without an Anglo-German agreement, closing down the western front, which Hitler would probably be unable to achieve.

Himmler reckoned, however, that he might be able to effect the deal. Such an idea had been put to the wife of Ulrich von Hassell, a leading member of the German resistance, in March 1941.⁸⁷ Von Hassell had been in touch with the British since the outbreak of war and it is reasonable to assume that he would have passed on Himmler's suggestion. On May 10 Himmler seized his chance. Hess had taken off from Augsburg, possibly to fly to meet a British delegation in Stockholm. Between them Himmler and Goering organised the interception and shooting down of Hess and his ME 110.

Meanwhile Himmler sent into the air a man who had in the past acted as Hess's double. His mission was to fly to Britain with an offer of peace between a Germany without Hitler and a Britain without Churchill. But the British government, tipped off by Admiral Canaris, chief of German secret intelligence, was waiting. Churchill had the double locked up for the duration of the war. At the Nuremberg trials the man who called himself Hess suffered from an extraordinary failure of memory, said nothing of interest or relevance, and was sent to prison for life.

In August 1987 the unfortunate man was murdered, probably at the behest of the British. The British had been able to conceal their determination to keep the prisoner in Spandau behind the Soviet veto on his freedom. But when the Soviets dropped their objections to his release they could not publicly object. But what would the man say once he was out? In order to avoid deep international embarrassment London contrived a convenient 'suicide' and the British were spared having to explain to the world just how close they came to a peace agreement with Germany in 1941.

Thomas's theory was examined in a highly critical film by Dr Christopher Andrew of

Corpus Christie College, Cambridge, for the BBC 2 history programme Timewatch in January. Andrew maintained that Hess was Hess after all and that he had probably committed suicide. The Thomas story was, Andrew suggested, the stuff of good conspiracy theory rather than of diligent and painstaking historical research. (88) There is no space here to discuss Andrew's treatment of the medical evidence relating to the Hess affair, but it is appropriate to draw attention to the philosophy behind Andrew's argument. It said that conspiracy theories are disreputable from the viewpoint of the serious historian. This is a fair point. During the last century political movements of the extreme right and left have often used conspiracy theory to frighten people into compliance with their outlook. Richard Hofstadter has chronicled their influence on the history of the United States, from nineteenth century currency crankery to McCarthyism.(89) Nazism was based on the belief that good honest Germans were being swindled by a vast Jewish-Bolshevik-capitalist conspiracy. Stalin and Mao sought to justify repression by claiming that domestic dissidents were plotting with the intelligence services of the bourgeois states to bring about the collapse of socialism. Substituting paranoia for dispassionate analysis and persuasion, conspiracy theories have frequently been the handmaiden of the authoritarian.

Nevertheless, the assumptions made by the Timewatch programme about conspiracy theories were deeply flawed. When historians test a theory they should concern themselves not only with the forensic details but with its fundamental plausibility; and this can only be gauged by placing the events the hypothesis seeks to explain in a wider historical context. Remarkably, for example, Andrew suggested that the international obsession with the assassination of John F. Kennedy was a good example of unhealthy interest in conspiracies. Now while the actual circumstances of the murder may be difficult to determine we can ascertain that the President had enemies in the CIA and in the Mafia. (90) This does not mean that the CIA and the Mafia killed Kennedy: but it does mean that the hypothesis that they did is not ridiculous. Equally, with the Hess affair, while the fact that the search for an Anglo-German rapprochement was still going on on 10 May 1941 does not mean Thomas is right, it does suggest that he might be. Timewatch completely failed to deal with this aspect of the subject.

Historians should not be dismissive of all conspiracy theories. The course of Anglo-German relations in peace and war reveals that up to 1940 the British establishment was anxious to conclude a detente with Germany. The political and economic development of Britain in the 1920s and 30's had led to the creation of an 'Anglo-German connection' whose maintenance was a vital interest for the constituent parts of the dominant alliance. Though this alliance was displaced as a result of military failure in May 1940, and discredited thereafter, it still attempted to complete in secrecy what Chamberlain had tried to achieve as a matter of official policy. What is this but an unsuccessful conspiracy for peace? Conspiracies do occur and historians do their profession no credit if they ridicule those who draw attention to them simply because something extraordinary and not in line with the conventional wisdom is being said.

Notes

1. Representative works, drawing on published and unpublished papers, mostly from the Cabinet and Foreign Office archives, are Colvin, *Chamberlain Cabinet*; Middlemas, *Diplomacy of Illusion*. See for example Gallagher, *Decline rise and fall of the British empire*; MacDonald, 'Economic appeasement'; Shay, *British rearmament in the 1930s*; Wendt, *Economic*

- appeasement*. Forbes ('London banks') has related pressure for appeasement on the government to the impact of the financial crisis of the early 1930s on City institutions involved in the acceptance business.
2. See Ingham, *Capitalism divided?*
 3. Newton and Porter, *Modernization frustrated*, p. 61.
 4. Newton and Porter, *Modernization frustrated*, p. 55.
 5. Pollard, *Development of the British economy, 1914-1980*, p149.
 6. Pollard, *Development of the British economy*, p. 185.
 7. See Middleton, *Towards the managed economy*, pp. 84-93; Newton and Porter, *Modernization frustrated*, ch. 3; Pollard, *Development of the British economy*, pp. 66-76.
 8. Redmond, 'An indicator of the effective exchange rate'.
 9. Eichengreen, 'Sterling and the tariff'; Cain and Hopkins, 'Gentlemanly capitalism, II'.
 10. MacDonald, 'Economic appeasement'.
 11. Forbes, 'London banks'.
 12. Teichova, 'Versailles and the expansion of the Bank of England'.
 13. P.R.O. FO371/46890, C6008/688/18, interrogation of Schacht by Major E. Tilley, 9 Jul 1945.
 14. Costigliola, 'Anglo-American financial rivalry'; Teichova, 'Versailles and the expansion of the Bank of England'.
 15. Forbes, 'London banks', p. 574.
 16. Forbes, 'London banks', pp. 581-2.
 17. Drummond, *Imperial economic policy*; MacDonald, 'Economic appeasement', pp. 118-9.
 18. P.R.O. FO371/22950, C2581/8/18, minute by Leith-Ross, 24 Jan 1939.
 19. See P.R.O. FO371/22951, *passim*.
 20. P.R.O. FO371/23000, C469/32/18, note of conversation with Norman by Ashton-Gwatkin, 15 Jan 1939.
 21. Quoted in Roberts, 'Frank Cyril Tiarks'.
 22. P.R.O. FO371/23000, C469/32/18, note of conversation with Norman, 15 Jan 1939.
 23. Haxey, *Tory M.P.*, pp230-32.
 24. *Documents and materials relating to the eve of the Second World War*, vol. II, p. 70, report by Dirksen, 21 Jul 1939.
 25. Haxey, *Tory M.P.*, pp. 230-32.
 26. Holland, 'The Federation of British Industries', p. 290.
 27. Holland, 'The Federation of British Industries', p. 294.
 28. Hannah, *Rise of the corporate economy*, pp. 22-6.
 29. Ingham, *Capitalism divided*, p. 196.
 30. Hannah, *Rise of the corporate economy*, p. 62.
 31. Booth, 'Reply to Peden and Middleton'.
 32. Booth, 'Britain in the 1930s'; Holland, 'The Federation of British Industries', pp. 294-8.
 33. *Economist*, pp.113-4, 21 Jan 1939.
 34. Reader, *Imperial Chemical Industries*, p. 131.
 35. F.B.I. papers, University of Warwick (hereafter F.B.I.), F/3/E1/13/11, 'Foreign Trade of the United Kingdom', 28 June 1938.
 36. Holland, 'The Federation of British Industries', p. 298.
 37. P.R.O. FO 371/22950, C1719/8/18, note by Ashton-Gwatkin of a talk with Ramsden of the F.B.I., 4 Feb 39.
 38. *The Engineer*, 24 March 1939, quoted in the F.B.I. file of press cuttings.

39. See F.B.I. F/3/03/2/1, undated memorandum of early 1939.
40. P.R.O. FO371/22991, C11182/16/18, report of 9 August 1939.
41. Holland, 'The Federation of British Industries', p. 298.
42. See Wark, *The ultimate enemy*.
43. Shay, *British rearmament in the thirties*, pp. 160-1.
44. Taylor, *English history*, pp 501-6.
45. Cowling, *Impact of Hitler*, p.166.
46. Taylor, *English history*, pp. 544-6; Lamb, *Drift to war*, p. 321.
47. See Teichova, 'Great Britain in European Affairs'.
48. Parker, 'The pound sterling'.
49. Reynolds, *The creation of the Anglo-American alliance*.
50. P.R.O. T188/288, memorandum by Leith-Ross, 2 Feb 1937; MacDonald, 'Economic Appeasement', pp119-20.
51. Statistical abstract for the United Kingdom, table 127, p. 143.
52. Crozier, *Germany's last bid for colonies*; P.R.O. T160/856/14545/3, 1936-9.
53. P.R.O. FO371/22951, C4102/8/18, 6 Apr 1939.
54. P.R.O. ECG1/19, October 1939.
55. *Documents on German Foreign Policy* (hereafter DGFP), Series D vol. VI, pp. 977-83, Wohltat's minute of conversations with Sir Horace Wilson, Sir Joseph Ball and Robert Hudson, 24 Jul 1939; *Documents and Material Relating to the Outbreak of the Second World War*, vol.2, pp. 67-72, Dirksen's report of 24 Jul 1939, and pp 117-124, Dirksen's minute of a conversation with Sir Horace Wilson, 3 Aug 1939; and *Documenti Diplomatici Italiani*, 1935-39, 8th Series, vol. XII, p557, Attolico to Ciano, 1 Aug 1939. The offer of a loan was leaked to the press, where it received such a rough reception that the government shelved the idea (see Dirksen's report of 3 Aug 1939). The rest of the agenda, however, continued to lie on the table.
56. P.R.O. PREM1/333, memoranda by Butler, 2 Aug 1939, and by Wilson, 3 Aug 1939.
57. Reynolds, *Creation of the Anglo-American alliance*, p.51-2.
58. Taylor, *English history*, p. 552.
59. DGFP, Series D vol. VII, p. 401, report of Mitarbeiter correspondent to Berlin.
60. Milward. *War, economy and society*.
61. Newton and Porter, *Modernization frustrated*, p. 91.
62. Einzig papers, Churchill College, Cambridge, 1/18, 8 Mar 1940; Newton and Porter, *Modernization frustrated*, p. 92.
63. Christie papers, Churchill College, Cambridge (hereafter Christie), 180/1/24, record of telephone conversation with Hohenlohe, 8 Nov 1939. 'Christie worked for Sir Robert Vansittart's 'private detective agency' and for the slightly more official SIS underground network known as the 'Z' organisation. This was run by Claude Dansey, who became Assistant Chief of the Secret Service in 1939. For further information see Anthony Reed and David Fisher *Colonel Z: the Secret Life of a master of spies* (London, 1984), pp.168-9.
64. See Knightley, *Second oldest profession*, pp.129-34. Knightley quotes the memoirs of Best, one of the SIS officers, as stating 'Hitler was to remain in power'. I can find no evidence of this remark, and it does not square with the tenor of the Christie talks which were continuing at the same time, and which, interestingly, referred on 8 November to 'extinction (being) still difficult but might presently be achieved at a price'.
65. P.R.O. FO 371/24405-7, passim; Von Hassell, *Diaries*; Chadwick, *Britain and the Vatican*, pp. 86-100.
66. Christie, 180/1/24, 10 Nov 1939.

67. *DGFP*, Series D, vol.X, p.791, Consul General at Geneva to Foreign Ministry, 5 Dec 1940.
68. P.R.O. PREM 1/443, letter from Noel Buxton, 7 Mar 1940. Aberconway held many directorships in the iron, steel and shipbuilding industries. In 1939 he had been, for example, chairman of Firth Brown Steel and of Westland, and a director of the National Provincial Bank.
69. Information from Professor R.M. Griffiths (University of London). Professor Griffiths possesses the membership book of the Right Club.
70. P.R.O. PREM 1/443, letter from Noel Buxton, 7 Mar 1940. For the views of the City see *DGFP*, Series D, vol.VII, pp. 363-7, undated report from Baron de Ropp made late in 1939.
71. Kenneth de Courcy papers, Hoover Institution, Stanford, California, box 2 folder 2, correspondence with Lord and Lady Londonderry, 1937-41, passim.
72. See Addison, *Road to 1945*; Newton and Porter, *Modernization frustrated* ch.4.
73. Some interesting material was revealed on 'Divided we Stand', Thames TV, 22 May 1990.
74. The incident is described in a unpublished memoir by Sir Peter Tennant, who was officially the British Press Attache in Stockholm throughout the war. Tennant's real function was that of a senior Special Operations Executive officer.
75. See Anthony Cave Brown, 'C,' p.271; de Courcy papers, box 2 folder 2, letter of de Courcy to Londonderry of 9 Oct 41.
76. See the de Courcy papers, Box 2 Folder 2, correspondence between de Courcy and Londonderry, 2 Nov 1940-17 May 1941, passim; Federal Bureau of Investigation (hereafter US F.B.I.) report 741.6211/12-24, 2 December, 1940. Another declassified US F.B.I. document (dated 28 October, 1941) reveals Hohenlohe-Waldenberg to have been a long-term Nazi agent with good connections in Britain. Interestingly, she arrived in the United States on 22 December, 1939 'from London, England, on a non-immigrant visa to visit her son and indicated that she would remain for five months and intended to return to England'.
77. US F.B.I. report 741.6211/12-24, 2 December, 1940; von Hassell, *Diaries*, pp.176-7.
78. *DGFP*, Series D, vol. XI, p.792, Consul-General in Geneva to Berlin, 5 Dec 1940.
79. Gilbert, *Churchill*, vol VI, p. 953.
80. *MacDonald, Britain, the United States and appeasement*.
81. *London journal of General Raymond E. Lee*, pp.165-6.
82. Newton and Porter, *Modernization frustrated*, pp.101-2. It has to be said that Churchill himself was not especially enthusiastic about the plans for reconstruction.
83. Avon papers, University of Birmingham, Sp/43/27, Hoare to Eden 5 Jul 1943.
84. *Documenti Diplomatici Italiani*, 1939-43, 9th series, vol. V, Lequio, Ambassador in Madrid, to Ministry of Foreign Relations, 14 March 1941.
85. Howard, Rab, p. 107.
86. Avon papers, Sp/42/22, Hoare to Eden, 11 May 1942.
87. Von Hassell, *Diaries*, pp.176-7.
88. 'Hess: an edge of conspiracy', Timewatch (BBC2 TV), 17 Jan 1990.
89. Hofstadter, *The paranoid style in American politics*.
90. See for example Scott, Hoch and Stetler, *The assassinations*.

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Hess, 'Hess', Timewatch et al

Extract from Hugh Thomas' response to Timewatch, 17/1/90.

'The main thrust of Timewatch's programme [was] that I was unaware of new evidence from Munich Archives which was the hospital record of the real Rudolf Hess. The evidence had been in Timewatch's possession for a long time, as the first interview with Dr Lappenkrupper -- the researcher suggested long ago by Christopher Andrew -- was by the sacked producer Alan Patient. This was in German. The second interview was much later in English. The documents had been totally translated for Timewatch,

who therefore were fully aware of the contents of the whole document.

Christopher Andrew and (producer) Roy Davies asked me to specify the maximal damage that a high velocity rifle bullet would create on the torso, explaining the core destruction, the kinetic energy and the vacuum effect that they had heard about. I explained that a gun shot wound is comprised of:--

- a. the entry wound (the bullet hole, the surrounding observable tissue trauma, such as discolouration, damage to the underlying bone, ribcage, or muscle)
- b. the track -- through various tissues, solid organs, muscle or lung
- c. the exit wound -- usually bigger than the entry wound, depending upon the distance, the tumbling of the bullet and the deflection by bone, all resulting in the bullet hole and surrounding clinically observable defect.

I then explained the long-term healing of the entry wound, the track and exit wound, and how they could be discerned clinically and on X ray. I specified all the changes associated with the chest, due to the collapse of the lung. These were all clearly outlined in my book. In particular I was asked the question: --

Christopher Andrew: What evidence was there that Hess ever had an operation?

Thomas: None. No documentary evidence. There are, however, two references made to it by Dicks and by Haushofer, acting on supposed knowledge from the family.

Andrew: But if he had been operated on by Professor Sauerbruch what would you expect to find?

Thomas: Had he received an operation I would expect to find an operative scar....etc

I went on to describe Sauerbruch's methods and why it was of medical historical interest to myself. I stressed the fact that I was looking for any wounds of any size, not necessarily operative and that I knew where to look, the only places where he could have been shot in those days and survived with or without an operation. Timewatch chose to include only my remarks relating to the maximal effects of gun shot wounds. They misrepresented my description of an entrance and exit wound as the scar in the skin. Whereas a scar will depend on whether the bullet hole had been left, as in those days, or excised as nowadays. They have thus played a word game with medical terminology to mislead the public into believing that I expected large scars including an operative scar.

In the last 10 minutes of the interview they produced the Munich documents, only three paragraphs of which had been translated, relating to the scars in the skin and their site. The actual limited translation was misleadingly inaccurate in that it denoted the wrong exit site. Timewatch possibly knew the significance of this mistranslation as, when corrected, they challenged the correction -- on the grounds that the supposed correct site would put it too low down the back to be seen! They continued to mislead the forensic pathologist Bernard Knight (a non German speaker) in exactly similar fashion -- despite by that time having the correct translation. They asked me to try and translate the photostat documents and comment on their findings and authenticity, in ten minutes. The whole conversation was recorded and witnessed, as was the TV interview.

Andrew: We want to be fair to you, we shall fully understand if you don't wish to comment.

Thomas: You had an hour before we started interviewing when you could have shown me these documents. How long have you had them?

Andrew: Only, I have only seen them for the first time on the drive coming down here.

Thomas: Why didn't you show them to me earlier, these are difficult.

Andrew: Roy and I decided it wouldn't be right for you to see them beforehand, we wanted your fresh reaction.

Roy Davies: It's good drama.

Thomas: We're not producing a drama.

Andrew: We'll quite understand if you wish to say no comment -- it's probably not fair on you.

Thomas: Oh but I will.

Viewers will have noted that there was a complete absence of any such interview with myself to gain my all-important reaction to the new medical evidence. The following information should have been televised in a balanced, not biased programme.

Thomas: Yes they seem to be genuine as far as I can tell from photostats, but I would like to point out that they are incomplete. There would seem to be no sheet for the casualty entrance examination on the 9th prior to his ward admission. That would -- there again the sheets are missing for the whole of his month-long hospitalisation for the shrapnel wound to his left upper arm -- you don't spend a month in all in hospital for a minor flesh wound. It would seem that he spent two weeks in an acute hospital and two weeks convalescing -- presumably getting his arm wound cleaned and dressed, before being fit, before returning to his unit. That's all I can make of the arm wound, but as you know that proves there was such a wound, as we -- what I mean is -- as described in the other archival material. I think you'll agree that there was no mention of any wound in the post mortem.

Andrew Rosthorn writes:

Kenneth de Courcy, 80 year old former personal agent for Churchill's wartime MI6 chief, Sir Stewart Menzies, says that two files have been stolen from his personal archive, which is preserved at the Hoover Institution in the University of California, Stanford. In a letter of 19th January to Dr Scott Newton, Mr de Courcy wrote: 'I regret to say that the Cabinet Office, anxious to conceal certain facts, ordered agents from SIS to steal files 10 and 11 from Box 3 at the Hoover Institution. The Hoover Institution wrote to inform me of the disappearance. They instructed the FBI.' De Courcy claims that the FBI investigating officers refused him a list of their suspects because 'they have been so instructed by the Cabinet Office'.

The Hoover Institution did confirm to Dr Newton that box 10 'World War 1939-45, Diplomatic History, Possibility of Negotiated Peace 39-40' and box 11 '1946-63 Subversive activities of Soviet Sympathisers in Great Britain' are indeed missing from the archive, presumed stolen.

Earlier in January a former MI6 agent, Charles Fraser-Smith, the original for Ian Fleming's character 'Q', told *Guardian* journalist Richard Norton-Taylor that 'In 1975

Sir Maurice Oldfield held a meeting to discuss releasing the whole story about Hess, about whether it was Hess or not.' Fraser-Smith said that he had always considered that the man held in captivity after the Hess flight was a 'phoney Hess'. In September 1989 I learned that a file marked 'Most Secret', apparently stolen from the Foreign Office by the former MI6 chief Sir Maurice Oldfield, has been smuggled out of Britain in an attempt to foil the Official Secrets Act.

The 1941 personal file on Hess had been declared a state secret until the year 2017. Sir Maurice wanted to prevent civil servants tampering with the documents in the file before it could be examined by historians, and handed the file to a small group of researchers before he died in 1981. The buff-coloured, loose-leafed foolscap file has been examined and filmed by the Dutch documentary producer, Karel Jille, whose second film on the Hess Affair was due to be screened in Holland in September 1990.

Dr Hugh Thomas said 'I offered both Dr Andrew and the producer of the BBC programme sight of the old 1941 file but they refused to look at it.' Thomas says he first met Oldfield when serving as an army surgeon in Belfast: 'We kept in touch. After my book was published, both Sir Maurice and James Angleton of the CIA called me. Sir Maurice told me he had always been baffled by the Hess Affair. When he handed this file to the historians, he said to me: "See what you can make of it. I cannot find out what lies behind it."'

Hugh Thomas has twice been refused permission under the Official Secrets Act to reveal the contents of the letters from Lord Willingdon to the Prime Minister of Canada, Mackenzie King. One of the letters from Lord Willingdon, who was apparently one of those involved in the 'peace plots', and who tipped off Churchill via Mackenzie King, refers to 'the problem we have with the double'. Lord Wigram, the King's equerry, was told by Lord Willingdon that the King was most concerned about a situation developing which could lead to civil war -- if Churchill refused to be removed from power at the price of a peace deal with Germany.'

An appeal by Mr John Colin Wallace to the Civil Service Appeal Board

Advice and Recommendation

1. The Secretary of State for Defence has asked me to advise him 'Whether an injustice was done to Mr Colin Wallace as a result of the manner in which his case was presented to the Civil Service Appeal Board when on 17 October 1975 it considered the decision of the Ministry of Defence to terminate his employment on disciplinary grounds; and, if so, to recommend whether compensation should be paid to him.'
2. My terms of reference are precise, and, strictly construed, would require me to limit myself to a consideration of the manner in which Mr Wallace's case was presented at the hearing which took place before the Civil Service Appeal Board (CSAB) on 17 October 1975 (and whether that resulted in an injustice). Having, however, considered the relevant material, I take the view that a slightly wider approach is called for, and that I should also take into account what took place shortly before and in anticipation of the hearing.

3. The Secretary of State has specifically asked me not to prepare a Report, but simply to express my conclusions. I nevertheless take the view that a bare expression of my conclusions, without more, would possibly be open to misinterpretation, and that some reasoning, however brief, is needed.
4. After wide reading and consultation, I have reached the clear conclusion that the hearing which took place before the Civil Service Appeal Board on 17 October 1975 was unsatisfactory in two material aspects.
5. First, I was satisfied that shortly before the hearing took place representatives of the Ministry of Defence were in private communication with the chairman of the hearing with regard to Mr Wallace's appeal. Such communication should not have happened; and I believe that what occurred probably affected the outcome of the appeal.
6. Secondly, Mr Wallace's work, as an information officer, was wide-ranging in its nature. I am satisfied that the full range of Mr Wallace's work was not made plain to the CSAB. In my view the CSAB needed to know the full range of his work if it was to adjudicate justly on his appeal.
7. The Ministry of Defence had decided to terminate Mr Wallace's employment. The CSAB recommended that if Mr Wallace wished to offer his resignation, the Department should accept this as an alternative to dismissal. In my view neither dismissal nor resignation (as an alternative to dismissal) was within the range of penalties which would have been reasonable for the isolated incident which gave rise to the disciplinary proceedings. In attempting to pass a restricted document to a journalist, at a time when and in the circumstances in which he did, Mr Wallace erred; but if this incident had been considered in the overall context of Mr Wallace's work, neither dismissal nor resignation (as an alternative to dismissal) was a reasonable penalty. To this extent, I am of the opinion that an injustice was done to Mr Wallace; and I so advise.
8. In these circumstances I am asked to recommend whether compensation should be paid to Mr Wallace, and, by implication, the amount of such compensation. In my view compensation should be paid. Precise calculations are not possible; but I have had regard principally to the amount of compensation which Mr Wallace might have received had compensation been paid to him about 1975, to the fall in the value of money since 1975, and to the difficulty Mr Wallace has experienced in obtaining alternative employment. In my view an appropriate amount of compensation would be 30,000 and I recommend that such a sum should now be paid to Mr Wallace.

10 August 1990.

David Calcutt,
Queen's Counsel

Miscellaneous

Gemstone

In *Lobster* 19, I noted the incremental addition of disinformation to the original *Skeleton Key to the Gemstone File*. As it turned out, the process was further down that road than I had imagined. From Owen Wilkes, New Zealand's leading parapolitics researcher, comes the news that a version is in circulation there. Now described as 'Skeleton Key to the Gemstone file, 1932-86', this has been circulating for 3 years, expanded considerably to include, for example, the Nugan Hand bank revelations. With it comes a 24 page 'New Zealand section'. Almost none of this is intelligible to me, but Wilkes comments that this section is 'amazingly detailed and represents an enormous amount of well-informed research. It tends to be factually correct within paragraphs while the conspiratorial connections between paragraphs are mostly pure paranoid fantasy.Overall it is extremely right-wing, in the international- Jewish-conspiracy mould.'

Oct., 1983: Brierley takes over NZFP through Watties helped by newly appointed chairman Papps.

Papps also chairman NZ Railways and presided over transport deregulation whose major beneficiaries include Watties and Freightways -- managing director Pettigrew and director Lang also both on the NZFP board with Papps.

Papps also responsible for the railway electrification program with big contracts for Cory Wright Salmon whose directors include I.L. McKay -- also on the board of NZFP.

Late 1983: AMEX (SOCAL) gives Gulf Oil a share in the Martha Hill gold ripoff bonanza by selling 15% of its holdings to Brierley through Goodman. Oil Co's say that only \$870 million worth of minerals in Martha Hill while true figure closer to \$3 billion.

Jan., 1984: Brierley and Elliot begin moves to monopolise the food industry in A'asia by merging Goodman and the Elders group, while Brierley sells 10% of Watties to the NZ Dairy Board -- stage set for land takeover and establishment of the Corporate Farm.

Bunting and Brierley merge with Brierley taking direct control of Ariadne (Aust).

New company floated -- Equiticorp. Registered in Hong Kong by chairman Hawkins to extend 'laundry' operations with Security Pacific National Bank. Hawkins previously associated with Khassoggi when Corporate Secretary of Marac, and linked with Renouf through their stockholdings in CBA Finance which also a partner in Commercial Pacific Trust with United California Bank. Hawkins forms umbrella

company with Chase Corp -- Jedi Investments and Teltherm and begins setting up a maze of crossholding companies, dummy corporations etc to disguise operations. Brierley retains his connections through his Charter Corp's holding in Teltherm.

Keston College

In *Lobster* 19 we referred to Keston College as a probable MI6 operation. One of our readers had the wit to send our reference to Keston to the BBC, asking for comments. The editor of the Radio 4 programme 'Sunday' replied that 'It is not the first time we have encountered such suggestions, and we are doing what we can to look into them.'

The Workers' Revolutionary Party, MI5 and Libya

In *The Bulletin*, the US weekly paper of the Workers' League, July 20 edition, there is an exchange of letters between Ken Livingstone MP and the leaders of two of the fragments (there are now apparently 9, in all) from the WRP's split of 85/86. Livingstone had claimed at a meeting on March 4 1990 that MI5 had caused the WRP disintegration, using one of their agents who was 'a high-ranking member of the leadership'. In a letter to David Hyland, leader of one of the fragments, he stated that 'copies of some Special Branch reports on [WRP] meetings had been made available to one of my advisors'. Livingstone comments in a letter to Cliff Slaughter, leader of another of the fragments, that 'democratic centralist organisations are particularly vulnerable to internal disruption by MI5/Special Branch because of their traditions of expulsions and their secretive style of operations.' If any of our readers follow the WRP fragments and has further information on this, please let us know.

The WRP's great sin in the eyes of the British secret state was, I presume, its financial support by Libya. It seems clear that contact with Libya is taken very seriously by our spooks. Ron Brown MP had visited Libya and he has now been discredited as a result of his affair with Nona Longden. Brown claimed some months ago in the House of Commons that Ms Longden was employed by Defence Systems Ltd, one of the Ministry of Defence's semi-detached companies, and suggested that he had been set up. The National Union of Mineworkers contacted Libya during the miners' strike. As this is being written (mid September), it remains unclear what, if anything, messers Scargill and Heathfield will be found guilty of. If it turns out that they are cleared of all charges, then the campaign against them will have to be reinvestigated as an intelligence operation. (It is worth noting here that Steve Dorril suspects it is probably an operation run against the IMO rather than the NUM.) If this campaign is being run by the spooks, then Roger Windsor, the former NUM official who laid the (now forgotten) original allegations of Libyan money, must be a spook. Evidence as yet there is none. However there is a hint. Before joining the NUM Windsor had been employed by the transnational union organisation, Public Services International (PSI). William Blum's *The CIA: a forgotten history* (Zed Press, London, 1986) includes a chapter on the joint CIA/MI5 coup run in the sixties against Chedi Jagan, the Prime Minister of British Guyana. In that coup the vehicle used by the Anglo-American spooks was Public Services International. (See Blum pp.118-- 121).

Information Wanted

I am trying to research Black (ie of African/Caribbean decent) political organisations in the 1930s and 1940s. All of their papers have disappeared and the PRO is withholding all the files it has not destroyed. Does anybody have any advice as to how to get the PRO to release what it holds? (I've tried the proper channels.) Or how to find any of the MI5 and Special Branch men who infiltrated and surveilled them? (I'm guessing at the infiltration: the surveillance was obvious.) The main groups/men were: Negro Welfare League (Arnold Ward/Peter Blackman); Colonial Information Bureau (Ben Bradley/Reginald Bridgeman/Desmond Buckle); International African Service Bureau, later Pan African Federation (George Patmore/Ras T. Makonnen/Chris Jones); West African National Secretariat (Kwame Nkrume/Bankole Akpata/Bankole Awoonor- Renner).

Reply to M.S. c/o Lobster.

Information sought on:

- a. April 1944 a ship loaded with arms, ammunition and gold exploded in Bombay harbour, destroying 15 or 16 ships, sending out a shock-wave recorded in Simla, 300 miles away. Information on the explosion, casualties, location of survivors, witnesses etc.
- b. the Progress Foundation
- c. the Schumaker Foundation

Does anybody have a copy of, or information on the location of a 1982 pamphlet, *NATO and the Third World War*, published by Little A, England?

Reply to R.S. c/o Lobster.

Addendum to Kincora/Wallace/Tara bibliography published in *Lobster 19*

Kincora

- The answers McGrath should give us -- John Carey, *Sunday World* 10 October 1982 pp.16-17.
- McGrath men in election bid. New MP's to hush up Kincora? -- *Sunday World* 17 October 1982 pp1 and 3.
- Bradford's VIP 'Sex list' at Kincora revealed -- Martin O'Hagan, *Sunday World*, 17 January 1988 pp. 1-2.
- Paisley cleared of gay smear -- Liam Clarke, *Sunday World*, 17 January 1988 pp.1-2.
- Four Stormont men probed over Kincora -- Liam Clarke, *Sunday World* 7 February 1988 p.20
- MP may name Kincora probe men in Commons -- Liam Clarke, *Sunday World* 28 February 1988 p.8.
- Kincora beast wants back in Orange Order -- Martin O'Hagan, *Sunday World* 11 February 1990 p.19.

TARA

- Tara: there is not the basis for peaceful co- existence -- *Sunday News*, 24th March 1974 p7.

Colin Wallace

- Murder suspect Army spy? *Sunday World*, 28 September 1980 pp.1 and 3

Harry Irwin

NOW!

Gregory Voysey writes:

In *Lobster* 17 (pp14-16) you note that *Now!*, a magazine owned by Sir James Goldsmith, was used to further the propaganda aims of the Pinay Circle. *Now!* was also involved in a scheme to discredit President Carter during the 1980 presidential campaign. This involved luring his brother, Billy Carter, into a political embarrassing relationship with Colonel Gafaffi. An Italian investigation revealed that this had been organised by members of P2 holding official positions in SISMI (Italy's military intelligence agency) and Michael Ledeen, later the 'Italian expert' in Reagan's transition team of 1980-81. Two of Ledeen's articles on the 'Billygate' affair were published in *NOW!* and *L'Express* of France, which was also owned by Goldsmith. On this see Edward Herman and Frank Brodhead, *The Rise and Fall of the Bulgarian Connection*, (Sheridan Square Publishing, New York 1986) pp. 92-7; Jane Hunter, Jonathan Marshall and Peter Dale Scott, *The Iran-Contra Connection: Secret Teams and Covert Operations in the Reagan Era*, (South End Press, Boston, 1987) pp. 72-5; Larry Gurwin, *The Calvi Affair: Death of a Banker*, (Pan, London 1984) pp.190-195.

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