

NIGEL WEST



THE GUY LIDDELL DIARIES Vol. 1: 1939–1942

MI5'S DIRECTOR OF COUNTER-ESPIONAGE IN WORLD WAR II

The Guy Liddell Diaries, Vol. I: 1939–1942

WALLFLOWERS is the codename given to one of the Security Service's most treasured possessions, the daily journal dictated from August 1939 to June 1945 by MI5's Director of Counter-Espionage, Guy Liddell, to his secretary, Margo Huggins. The document was considered so highly classified that it was retained in the safe of successive Directors-General, and special permission was required to read it.

Liddell was one of three brothers who all won the Military Cross during World War I and subsequently joined MI5. He initially served with the Metropolitan Police Special Branch at Scotland Yard, dealing primarily with cases of Soviet espionage, until he was transferred to MI5 in 1931. His social connections proved important: in 1940 he employed Anthony Blunt as his personal assistant and he became a close friend of both Guy Burgess and Victor Rothschild, and was acquainted with Kim Philby. Despite these links, when Liddell retired from the Security Service in 1952 he was appointed security adviser to the Atomic Energy Commission, an extremely sensitive post following the conviction of the physicist Klaus Fuchs two years earlier.

No other member of the Security Service is known to have maintained a diary and the twelve volumes of this journal represents a unique record of the events and personalities of the period, a veritable *tour d'horizon* of the entire subject. As Director, B Division, Liddell supervised all the major pre-war and wartime espionage investigations, maintained a watch on suspected pro-Nazis and laid the foundations of the famous 'double cross system' of enemy double agents. He was unquestionably one of the most reclusive and remarkable men of his generation, and a legend within his own organisation.

Nigel West is a military historian specialising in security and intelligence topics. He lectures at the Center for Counterintelligence and Security Studies in Washington DC and is the European editor of the *World Intelligence Review*. In 1989 he was elected 'the Expert's Expert' by the *Observer* and in 2003 he was the recipient of the US Association of Former Intelligence Officer's Lifetime Literature Achievement Award.

THE GUY LIDDELL DIARIES

VOLUME I: 1939–1942

MI5's Director of Counter-Espionage
in World War II

Edited by Nigel West

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EDITOR'S NOTE

The original diaries were written in twelve volumes, each with a separate index, and contain many acronyms, abbreviations and references to people and organisations that are not immediately identifiable. Accordingly, the editor has interpolated to clarify and explain. Where possible, names have been given in full, but the diaries have been redacted by the Security Service so some individuals and passages remain obscure. There are, however, several lapses in the redactions, so it is perfectly possible to identify Rex Howard, Cuthbert Bowlby, Walter Bell, Tim Milne and Phillip Johns as SIS officers whose names have not been obliterated entirely.

In addition, some codenames have been altered to avoid confusion. For example, the double agent Sam McCarthy is referred to in Liddell's early diaries by the codename MAC, whereas this was later changed, probably as a security precaution, to BISCUIT.

The additional information added is based on the editor's personal knowledge of BALLOON, BRONX, BRUTUS, COBWEB, DREADNOUGHT, FREAK, GARBO, GIRAFFE, JEFF, METEOR, MUTT, TATE, TRICYCLE, and ZIGZAG, and interviews conducted with many wartime MI5 officers, among them T.A. Robertson, Michael Ryde, Rupert Speir, Gerald Glover, Peter Ramsbotham, Peter Hope, John Gwyer, Leonard Burt, John Maude, Billy Luke, Cyril Mills, Hugh Astor, Herbert Hart, Christopher Harmer and Russell Lee. From SIS he was able to discuss wartime operations with Hugh Trevor Roper, Felix Cowgill, Phillip Johns and John Codrington, all of whom are mentioned repeatedly in the diaries.

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The editor owes a debt of gratitude to Thomas Cheplick, who toiled in the National Archive at Kew in the preparation of this volume. Also to Hayden Peake, Ray Batvinis, Dan Mulvenna and Glenmore Trenear-Harvey who gave generously of their specialist knowledge of this field. The project could not have been completed without them.

Among the members of the Liddell family who assisted my research were Sir Sandy Reid, Leonard Ingrams, Georgina Rowse, Joan Booth and Theresa Booth.

PERSONALITIES

A5	MI5 agent
John Adam	MI5 officer
Francis Aiken-Sneath	MI5 officer
Harry Allen	MI5 officer
Sir John Anderson	Neville Chamberlain's Home Secretary
John Archer	MI5 liaison officer with the RAF
Liam Archer	Head of G-2, Irish Intelligence
ARMANDO	Dr Cuhna a Costa
Henry Arnold	MI5 liaison officer with the RAF
Hugh Astor	MI5 case officer
Sir Joseph Ball	Former MI5 officer, Director of Research at Conservative Central Office
BALLOON	MI5 codename for Dickie Metcalfe
BASKETT	Joseph Lenihan
Paddy Beaumont-Nesbitt	Director of Military Intelligence
John Bevan	Deception Coordinator
BISCUIT	Sam McCarthy
Anthony Blunt	MI5 officer and Guy Liddell's personal assistant
Connolly Boddington	MI5 officer
BOVRIL	SIS codename for Juan Pujol
David Boyle	Personal assistant to C
Lord Brocket	Former MP
Dick Brooman-White	MI5 officer
Guy Burgess	Broadcasting expert employed by SIS
Leonard Burt	Scotland Yard detective seconded to MI5
Charles Butler	MI5 officer in the Director-General's secretariat
C	Hugh Sinclair, then Stewart Menzies, Chief of SIS
Sir Alexander Cadogan	Permanent Under-Secretary at the Foreign Office
Edward Calthrop	SIS officer attached to SOE as security officer
Eric Gardiner Camp	Convicted Soviet spy
Albert Canning	Head of the Metropolitan Police Special Branch
Waldemar Caroe	MI5 officer in the Irish section

PERSONALITIES

Goesta Caroli	MI5's double agent codenamed SUMMER
Tony Caulfield	MI5 officer
Bill Cavendish-Bentinck	Chairman of the Joint Intelligence Committee
CELERY	MI5 codename for Walter Dicketts
Edwin Clayton	Assistant DPP
Hugh Clegg	FBI official
COBWEB	Ib Riis, SIS double agent in Iceland
John Codrington	SIS Head of Station in Gibraltar
William Codrington	Head of the Foreign Office's Security Department
COLOMBINE	SS defector Zech-Nantwich
Patrick Cooper	Ministry of Supply
COSTAR	Double agent at the British Legation in Lisbon
Felix Cowgill	Deputy Head of SIS's Section V
William Charles Crocker	Member of the Security Executive
Malcolm Cumming	MI5 officer
Edward Cussen	MI5 officer
Edouard Daladier	French Prime Minister
Claude Dansey	Assistant Chief, SIS
Captain Daru	French intelligence officer
General Francis Davidson	Director of Military Intelligence
Dawkes	MI5 agent
Dr Harold Dearden	MI5 psychiatrist and Camp 020 medical officer
Alastair Denniston	Director of Government Code & Cipher School
Walter Dicketts	MI5 double agent codenamed CELERY
Deputy Director-General	Sir Eric Holt-Wilson
Director-General	Major-General Sir Vernon Kell
Richard Dixon	Regional Security Liaison Officer
DRAGONFLY	MI5 double agent named Hans George
DUCK	MI5 agent in the Spanish Embassy in London
John Dulanty	High Commissioner for Ireland in London
Bertram Ede	Defence Security Officer, Malta
Dick Ellis	SIS officer attached to BSC in New York
FATHER	MI5 codename for a Belgian pilot and double agent
Donald Fish	Scotland Yard detective seconded to MI5
David Footman	SIS officer, Head of Section I
Major Foulkes	MI5 officer seconded to SOE
FRANK	MI5 agent
Malcolm Frost	MI5 officer seconded from the BBC
Roger Fulford	MI5 officer
Friedle Gaertner	MI5 double agent codenamed GELATINE
Richard Gambier-Parry	Head of SIS's Section VIII and the RSS
GANDER	Carl Grosse
GELATINE	MI5 codename for Friedle Gaertner
Hans George	MI5 double agent codenamed DRAGONFLY

PERSONALITIES

E.W. Gill	MI5 wireless expert
Tony Gillson	MI5 officer
GIRAFFE	MI5 double agent named Georges de Graaf
Gerald Glover	RSLO in Kent
Admiral John Godfrey	Director of Naval Intelligence
GOOSE	Kurt Grosse
Georges de Graaf	MI5 double agent codenamed GIRAFFE
Laurence Grand	Head of SIS's Section D
Kurt Grosse	MI5's double agent codenamed GOOSE
Lord Halifax	Foreign Secretary
Jasper Harker	Director, B Division
Christopher Harmer	MI5 case officer
Tommy Harris	MI5 case officer in the Spanish Section
Herbert Hart	MI5 officer and analyst
HATCHET	MI5 double agent Albert de Jaeger
Ronnie Haylor	MI5 officer
Edwin Herbert	Director of Postal Censorship
Clarence Hince	FBI official
Edward Hinchley-Cooke	MI5 interrogator
Sir Sam Hoare	British Ambassador in Madrid
Roger Hollis	MI5's expert on the CPGB
Jack Hooper	SIS officer
Henry Hopkinson	Sir Alexander Cadogan's private secretary
Reg Horrocks	MI5's management efficiency expert
Commandant Howard	French BCRA intelligence officer
Rex Howard	SIS officer
Harry Hunter	Head of MI5's Watcher Service
Gladwyn Jebb	Deputy Secretary, Foreign Office
JEFF	MI5 double agent Tor Glad
Herschel Johnson	First Secretary, US Embassy in London
Alex Kellar	MI5 officer
Sir Norman Kendal	Assistant Commissioner (Crime), Scotland Yard
Thomas Kendrick	SIS officer, formerly Passport Control Officer in Vienna
Joseph Kennedy	US Ambassador in London
Eric Kessler	Swiss press attaché, codenamed ORANGE
Bernie Kiener	MI5 double agent codenamed RAINBOW
John King	Soviet spy in the Foreign Office
Klop	Klop Ustinov, MI5 agent
Max Knight	MI5 agent-handler
Walter Krivitsky	Soviet defector
LAND SPIDER	SIS double agent Ib Riis
Joseph Lenihan	MI5 double agent codenamed BASKET
Isaac Don Levine	American journalist

PERSONALITIES

Cecil Liddell	Head of MI5's Irish Section
Billy Luke	MI5 B1(a) case officer
Sam McCarthy	MI5's double agent codenamed BISCUIT
Mr Machell	MI5 officer
Alan MacIver	MI5 officer in charge of the RSLOs
Kenneth Maidment	RSS cryptographer
Ivan Maisky	Soviet Ambassador to London
John Marriott	MI5 officer and Secretary of the XX Committee
Noel Mason Macfarlane	Former British military attaché in Berlin
J.C. Masterman	MI5 officer and Chairman of the XX Committee
John Maude	MI5 officer
Raymund Maunsell	Head of Security Intelligence in the Middle East
Sir Alexander Maxwell	Permanent Under-Secretary, Home Office
Charles Medhurst	Director of Air Intelligence
Tito Medlam	DSO Gibraltar
Edward Merrett	DNI's private secretary
Dickie Metcalfe	MI5 double agent codenamed BALLOON
Cyril Mills	MI5 case officer, later DSO in Ottawa
Helenus ('Buster') Milmo	MI5 officer
Desmond Morton	Winston Churchill's intelligence adviser
Eric Mockler-Ferryman	War Office, Home Forces
Ewen Montagu	NID representative on the XX Committee
Herbert Morrison	Home Secretary in the War Coalition Government
Sir Oswald Mosley	Leader of the British Union of Fascists
MUTT	MI5 double agent John Moe
M/Y	MI5 agent
ORANGE	MI5 source in the Swiss Embassy, Eric Kessler
Arthur Owens	MI5's double agent codenamed SNOW
The Oxford Don	John Masterman
P	Wolfgang zu Putlitz
Sir James Paget	Passport Control Officer, New York
Charles Peake	Ministry of Information
PEG	Saboteur in Gibraltar
PEPPERMINT	MI5 double agent José Brugada
Peters	MI5 double agent
Toby Pilcher	MI5 officer in the legal section
Pilkington	MI5 officer and head of F2(c)
POGO	Spanish journalist named Del Pozo
Harry Pollitt	Secretary-General of the CPGB
Dusan Popov	MI5 double agent codenamed SKOOT, then TRICYCLE
Peter Quennell	SOE, Gibraltar
RAINBOW	MI5 double agent named Bernie Kiener

PERSONALITIES

Peter Ramsbotham	MI5 officer in the American section
RATS	José Estella Key
Ronnie Reed	MI5 radio operator
Ned Reid	MI5's financial expert and Guy Liddell's cousin
T.A. Robertson	Head of MI5's B1(a)
Wulf Schmidt	MI5's double agent codenamed TATE
Alexander Scotland	MI9 interrogator
John Senter	MI5 officer seconded to SOE as security officer
Hugh Shillito	MI5 officer
Derek Sinclair	MI5 officer and son of C, Sir Hugh Sinclair.
SKOOT	MI5 double agent Dusan Popov, later TRICYCLE
SNOW	Arthur Owens
SOSO	Double agent at the British Legation in Lisbon
Reg Spooner	Scotland Yard detective seconded to MI5
SPRINGBOK	MI5 double agent Hans von Kotze
Lord Stanhope	Leader of the House of Lords
Oliver Stanley	Deception Coordinator
Robin 'Tin-Eye' Stephens	Commandant of Camp 020
William Stephenson	Director of British Security Co-ordination in New York
Major Richard Stevens	PCO in The Hague
Harry Stone	MI5 officer
Richman Stopford	MI5 officer
STORK	MI5 agent
Kenneth Strong	Former British assistant military attaché in Berlin
SUMMER	MI5's codename for Goesta Caroli
SUNDAE	Spanish double agent in Algeciras
SWEET WILLIAM	MI5 double agent
Lord Swinton	Chairman of the Security Executive
Derek Tangye	MI5's press liaison officer
TATE	MI5's codename for Wulf Schmidt
Edward Travis	Director of GC&CS
Hugh Trevor Roper	SIS's expert on ISOS
TRICYCLE	MI5 codename for Dusan Popov
Theo Turner	MI5 officer
Klop Ustinov	MI5 agent codenamed Klop
Sir Robert Vansittart	Chief Diplomatic Adviser at the Foreign Office
VCIGS	General Sir John Dill
Sir Philip Vickery	Director of Indian Political Intelligence
Alf Wall	Member of the Security Executive
WEASEL	MI5 double agent
Dick White	MI5 officer and future Director-General
Jock Whyte	MI5 officer

PERSONALITIES

Sir Horace Wilson	Permanent Under-Secretary at the Treasury
Ian Wilson	MI5 B1(a) case officer
Malcolm Woolcombe	MI5 officer
Courtney Young	MI5's Japanese expert
ZOR	A White Russian contact

EXECUTIONS

- George Armstrong Having offered his services as a spy to the German Consul in Boston by mail, the 39-year-old seaman was returned to England for trial. He was convicted in May 1941 and hanged at Wandsworth in July 1941.
- François de Deeker Arrested in September 1941 in Scotland after he had landed from a flying-boat, de Deeker was tried in June 1941 and hanged at Wandsworth in August 1941.
- José Estella A Spanish saboteur, Estella was arrested in Gibraltar in February 1942, tried in London in May and hanged at Wandsworth in July 1942.
- Josef Jakobs A parachute agent who landed in Huntingdonshire in February 1941, the 43-year-old German dentist broke both his ankles on landing. He was court-martialled in August 1941 and shot at the Tower of London 10 days later.
- Charles van den Kieboom A 26-year-old Dutchman, he was landed by boat at Dymchurch, Kent, in September 1940. He was tried in November and hanged at Pentonville in December.
- Carl Meier A 24-year-old Dutchman from Coblenz, he was landed by boat at Lydd, Kent, in September 1940. He was tried in November and hanged at Pentonville in December.
- Karel Richter A Sudeten German, Karel Richter had worked on the Hamburg–Amerika Line before the war and was parachuted into Hertfordshire in May 1941.
- Alphons Timmerman A Belgian seaman, Timmerman was arrested at the Royal Victoria Patriotic School, tried and executed.
- Jose Waldberg A 25-year-old German from Mainz, he was landed by boat at Dungeness, Kent, in September 1940, tried in November and hanged at Pentonville in December.

BRITISH INTELLIGENCE ESTABLISHMENTS

Barnet	Headquarters of the Radio Security Service
Blenheim Palace	MI5 wartime headquarters in Oxfordshire from 1940
Broadway	54 Broadway, SIS headquarters in London
Camp 020	Latchmere House, Ham Common
Camp 020R	Reserve detention centre at Huntercombe Place, Oxon
Camp WX	Isle of Man
Camp Z	Mytchett Place, Aldershot
Cockfosters	Air Intelligence interrogation centre at Trent Park
Dollis Hill	Post Office Research Station
Glenalmond	SIS Section V headquarters in St Albans
Hendon	MI5 safe-house in Crespigny Road, NW4
Kinnaird House	Headquarters of the Security Executive in Pall Mall
The Old Parsonage	Safe-house at Hinxton, Cambridgeshire, called 'The Home for Incurables'
Praewood	Headquarters of SIS's Section V in St Albans
Room 055	MI5's interview room in the War Office
Royal Victoria Patriotic School	MI5's refugee screening centre on Wandsworth Common, south London
St James's Street	MI5's headquarters in London from 1941
Tring	Home Farm, Lord Rothschild's estate house in Hertfordshire
Whaddon	SIS's communications headquarters
Wormwood Scrubs	MI5's emergency headquarters in London, evacuated in 1940

GLOSSARY

AID	Army Ordnance Inspection Department
B1(a)	MI5's German double agent section
B1(g)	MI5's Irish section
B2	MI5's Agent Section
B5(b)	Max Knight's section
B6	MI5's Watcher Service
BCRA	French intelligence service
BGSI	Brigadier General Staff (Intelligence)
BJ	Diplomatic intercept
BSC	British Security Co-ordination
C	Chief of the Secret Intelligence Service
CID	Committee of Imperial Defence
CID	Criminal Investigation Department
CIGS	Chief of the Imperial General Staff
CPGB	Communist Party of Great Britain
CPUSA	Communist Party of the United States of America
CWS	Central War Security
DF	Direction-Finding
DMO&I	Director of Military Operations & Intelligence
DNI	Director of Naval Intelligence
DPP	Director of Public Prosecutions
DUFF	Microdot
F2(c)	MI5 section dealing with Russian intelligence
FBI	Federal Bureau of Investigation (United States)
FFF	Free French Forces
FSP	Field Security Police
4th Department	Soviet military intelligence service
GC&CS	Government Code & Cipher School
Group 1	Wireless intercepts of Abwehr hand ciphers
Group 10	Wireless intercepts of Abwehr machine ciphers
IPI	Indian Political Intelligence
IRA	Irish Republican Army

GLOSSARY

ISBA	Intelligence Service/British Agents
ISK	Decrypted Abwehr machine cipher wireless traffic
ISOS	Decrypted Abwehr hand cipher wireless traffic
ISSB	Inter-Services Security Board
JIC	Joint Intelligence Committee
MAP	Ministry of Aircraft Production
MI7	War Office propaganda branch
MI8	Radio Security Service
MSS	Most Secret Source
NID	Naval Intelligence Division
NSDAP	Nazi Party
OGPU	Soviet intelligence service
OSS	Office of Strategic Services
PCO	Passport Control Officer
PID	Political Intelligence Department
PPU	Peace Pledge Union
PWE	Political Warfare Executive
RCMP	Royal Canadian Mounted Police
ROF	Royal Ordnance Factory
RSLO	Regional Security Liaison Officer
RSS	Radio Security Service
SB	Special Branch
SCO	Security Control Officer
SIC	Security Intelligence Centre
SIS	Secret Intelligence Service
SO2	Special Operations 2
SOE	Special Operation Executive
Special Material	Intercepted diplomatic telephone conversations
VCIGS	Vice Chief of the Imperial General Staff
ZPT	Intercepted enemy naval wireless traffic

INTRODUCTION

Guy Liddell was an exceptional intelligence officer in every way, as his extraordinary wartime diaries demonstrate. During World War I he won the Military Cross, like his two brothers David and Cecil, all three having joined the Royal Artillery as private soldiers and then received commissions. They had been educated at the University of Angers and all three spoke French fluently. David became a gifted painter, and trained in Paris, while Cecil, who qualified in law, never practised as a lawyer. In 1919 Guy joined Scotland Yard as a civilian counter-intelligence officer working for Sir Basil Thomson's Directorate of Intelligence.

The ambitious and colourful Thomson, a former prime minister of Tonga and governor of Dartmoor Prison, had intended to develop a domestic intelligence organisation that would encompass Special Branch and MI5, but his plans were to be thwarted by powerful influences in Whitehall and intensive lobbying by Vernon Kell of MI5. When Thomson was forced to resign from Scotland Yard in 1921 by the Commissioner of the Metropolis, supposedly because of a breach of security at Chequers, in which Irish republicans had daubed slogans on the walls of the prime minister's country home, his scheme was abandoned. Liddell and his small team of analysts, Hugh Miller, Bunty Saunders and Miss McCulloch, remained on the staff of Special Branch until 1931 when, following the Treaty of Westminster, they were all transferred to MI5 where Liddell acted as deputy to the director of the counter-espionage branch, Brigadier Jasper Harker.

Although MI5 operated in conditions of great secrecy, most of Liddell's very extensive social circle knew where he worked. Before his marriage he shared a flat with his brother Cecil in Ashley Gardens. His eccentric, wealthy wife, the Hon. Calypso Baring, was the daughter of the Irish peer Lord Revelstoke, and they did a lot of entertaining at their Lutyens-designed home in Cheyne Walk, one of London's most desirable addresses, overlooking the Thames in Chelsea. Visitors invariably commented on Calypso's avant-garde style, and her unusual choice of wallpaper, *The Times* newspaper, in the entrance hall. A great mimic, Guy was always popular at dinner parties, usually accompanied by one of his brothers. He danced beautifully, occasionally volunteering to teach an Irish jig, and was very musical.

Separated from Calypso, who suddenly went to live in California with her half-brother Lorrillard (Larry) Tailer, and isolated from his children, Peter, Gay, Lucy and

Juno, Liddell was a lonely figure, who was absorbed in his work. He occasionally found solace in the cello, at which he excelled, being one of the country's most gifted amateur players. For much of his life he played in a quartet in Bromley, and he often told friends about how he had owned three cellos during the Great War, each strategically located in the event of an advance, retreat or other eventuality. Alone in London, he moved into a flat in Richmond Court, Sloane Street, reliant on his network of family friends, such as the Jebbs, Meinertzhagens and Bellocs, to supply information and develop contacts.

For the first year of the war Liddell's daughters lived with his widowed cousin Mary Wollaston in Winchester, and Peter at his prep school in Surrey, and then they moved to live with their mother in California. Meanwhile, Liddell became increasingly absorbed in his work and drew on his family and friends to help MI5. Both his brothers were to join him, with Cecil heading the Irish section, as was his cousin, Sir Edward Reid, the banker.

Under Liddell's supervision B Division undertook several important investigations into German and Soviet espionage before World War II. His study of the MASK decrypts, intercepted Comintern wireless traffic exchanged with the Communist Party of Great Britain's clandestine wireless station in Wimbledon, convinced him of the threat from Russia, and the arrest of Percy Glading, the CPGB's National Organiser, in February 1938, proved that the Party was engaged in espionage directed by the Kremlin. Although Liddell's ill-advised friendships with Guy Burgess and Anthony Blunt were to compromise his MI5 career, and prompt concerns as to his loyalty, nobody reading these diaries could doubt his deep commitment to his country and its traditions. Together, MASK and the Woolwich Arsenal case proved to Liddell that the Soviets posed a potent threat to Britain and his concerns about Soviet officials visiting the country are clearly reflected in the pages that follow.

As well as expressing anxiety about the Soviets, Liddell was equally suspicious of German intentions, and during the investigation conducted into the copious correspondence of Mrs Jessie Jordan in 1938 he took the opportunity to alert the American and Canadian authorities to the scale of Nazi intrigues in North America. His visit to J. Edgar Hoover in Washington DC to brief the FBI Director on the contacts the Dundee hairdresser had in the United States formed the basis of the FBI's first German counter-espionage case, that of Sergeant Gunther Rumrich. Characteristically, Hoover took all the public credit for a successful investigation, although his leads had been supplied by Liddell.

At that time the FBI had very little experience of espionage, and the United States had no central intelligence organisation. The Office of Strategic Services would not be formed until 1942, and the CIA did not come into existence until after the war, in 1947. Accordingly, Liddell's main contact with the Americans was through Herschel Johnson, a First Secretary at the US Embassy in Grosvenor Square, who acted as a conduit for the exchange of intelligence.

During his trip to America, Liddell took the opportunity to visit Ottawa to encourage the Royal Canadian Mounted Police to devote more resources to dealing with the threat posed by Russian and German espionage. The collaboration he

INTRODUCTION

fostered proved to be the foundation of a long, fruitful era of co-operation between the Canadian authorities and the Security Service, which lasts to this day.

In 1940 Liddell succeeded Jasper Harker as Director, B Division, and in 1945 was appointed Deputy Director-General, a post he held until 1953 when he retired to become security adviser to the Atomic Energy Authority.

Unquestionably, Liddell was the pre-eminent counter-intelligence officer of his generation, respected by his adversaries and admired by his subordinates. He had an unrivalled reputation for discretion and an intuitive talent for handling the most difficult cases in a highly politically-charged atmosphere with constant interference from Whitehall officials and interventions from senior politicians. That Liddell was able to guide Britain's counter-intelligence agency through these minefields without scandal and controversy, during a war which lasted nearly six years, is eloquent testimony to his remarkable abilities. But beyond offering a unique glimpse into how Whitehall wrestled with the challenges of alien internment, foreign visitors, diplomatic spies, enemy parachutists and leakages of military information, the diaries shed important new light on events that hitherto have been shrouded in an almost comprehensive cloak of official secrecy. Not a single MI5 officer ever published an account of his war work, and those who sought permission to do so were discouraged and even threatened. A very few wartime officers were allowed to make veiled references to their temporary employment by the Security Service, such as Derek Tangye, Stephen Watts and Victor Rothschild. When John Bingham's widow attempted to publish his biography she was prevented from doing so, and as Madeleine herself had worked in B Division the advice she received from the Treasury Solicitor was potent. Even Sir Vernon Kell's widow was unable to obtain permission to release an entirely innocuous volume of memoirs about her husband, the organisation's first Director-General. Later her son, John Kell, was to pass the manuscript to the journalist John Bulloch, who made a pioneering attempt to write about a taboo subject. He too came under considerable pressure to exercise discretion in recounting a few episodes of MI5's history, much of which was anyway in the public domain, and not to disclose the identity of any of the personnel. The extent of Whitehall's determination to keep the activities of the Security Service secret in the latter half of the twentieth century is hard to exaggerate. When Roger Hesketh tried to publish his history of Operation FORTITUDE, the deception campaign he helped devise to ensure the success of D-Day, he met with obstruction and procrastination, followed by comprehensive redactions. Even an innocuous foreword penned by Tommy Robertson for a wartime history of MI5 was banned on the basis that his contribution would set a precedent and enhance the status and credibility of a book that did not have official approval.

The first peek under the skirts came from the unlikely source of Sir John Masterman, the Oxford don, Provost of Worcester College and a novelist of some note. When he approached the government for sanction to release his account of the XX Committee, which he had chaired from its inception in January 1941, he had the advantage of having taught both the Foreign Secretary, Sir Alec Douglas-Home and the Prime Minister, Ted Heath. Although the Intelligence Coordinator

to the Cabinet, Sir Dick White (himself a former D-G of MI5 and Chief of SIS), was thoroughly opposed to the project, Masterman played a trump card. He had been commissioned by Sir David Petrie to write an internal history of the XX Committee at the end of the war, and he had retained an illicit copy of the completed document. He now proposed to publish it in the United States with the help of his old OSS friend Professor Norman Holmes Pearson, who had persuaded the Yale University Press to print it. Faced with this force majeure, and the embarrassment of a very public scrap with a revered academic, the government reluctantly agreed to a sanitised version of the manuscript, with references to the ‘most secret source’ provided by Bletchley Park removed, and certain other passages redacted. Masterman himself later claimed in his autobiography, *On The Chariot Wheel*, that his argument for the need to generate MI5 some good publicity to outweigh the many security lapses of recent years, while it had prevailed, was actually quite spurious. MI5 and Whitehall were infuriated by his behaviour, but his cause had been strengthened by the retention of a former MI5 case officer, Christopher Harmer, as his solicitor. Masterman published *The Double Cross System of the War of 1939–1945* in 1972, much to the irritation of the mandarins and the book served to reveal how the Security Service had taken control of the enemy’s entire spy organisation in England. Coincidentally, the book saved another author, Ladislav Farago, from considerable anguish as he had been planning to release *Game of the Foxes*, his analysis of German wartime espionage, based on his lengthy study of the Abwehr’s records. Only in the nick of time did he acquire an advance copy of Masterman’s astonishing story and change his own text to recognise that the master-spies in England during World War II were all operating under the control of Liddell’s ingeniously manipulative case officers.

Whitehall’s efforts to suppress Masterman’s references to ULTRA were to be frustrated in 1974 when Anthony Cave Brown and Fred Winterbotham disclosed how the Anglo-American cryptographers had succeeded in beating the enemy’s Enigma cipher machine (and its derivatives). Cave Brown’s *Bodyguard of Lies* and Winterbotham’s *The Ultra Secret* opened the floodgates and in 1976 prompted the Foreign Secretary, Dr David Owen, to announce a new policy regarding Bletchley Park: wartime cryptographers were allowed to disclose their work and discuss the impact of their achievements on the war, but not to reveal the technical methods adopted to retrieve the Enigma cipher keys. Even this prohibition was broken by Gordon Welchman with *The Hut Six Story*, and eventually the government relented and commissioned an official history from a team of historians led by Professor Sir Harry Hinsley. *British Intelligence in the Second World War* was released in five volumes, one of which dealt with security and counter-intelligence, authored by a former MI5 deputy director-general, Anthony Simkins. However, conforming to the style prescribed by the Cabinet Office, neither this nor its companion volumes mentioned by name any of the fascinating personalities, and Simkins only identified in passing Guy Liddell as the Director of B Division, the man responsible for much of MI5’s astonishing contribution to the final victory.

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The objective behind the political decision to prepare an official history of British Intelligence was to staunch the growing demand for the disclosure of the original decrypts which so influenced the tactics adopted by the Allied military commanders. Prior to the reluctant admission that the Allies had been reading much of the enemy's most important wireless traffic, the ULTRA secret had been carefully guarded. Even Kim Philby's memoirs, *My Silent War*, written by the defector in Moscow, safe from the reach of the Official Secrets Act, made no reference to the brilliant coup pulled off at Bletchley Park, a signals intelligence operation in which Philby himself had been intimately engaged. The SIS branch in which he had worked throughout his wartime service, from September 1941 onwards, had been dedicated to the study of intercepted Abwehr wireless traffic, yet the traitor was more interested in regaling his readers with gossip about his colleagues than explaining the historic implications of the decryption success which had saved many thousands of lives in the U-boat war of the north Atlantic, turned the tide of the Afrika Korps in the Libyan desert, helped trap the Kriegsmarine's feared surface raiders and ensured the invaders prevailed on D-Day.

While Philby may have been reluctant to apportion praise to the denizens of the secret world, plenty of other participants wrote of their individual contributions. Peter Calvocoressi recalled his experiences at Bletchley, while Ralph Bennett analysed the way ULTRA had been exploited in the field. Revisionists reinterpreted the war at sea, and new light was shed on the Naval Intelligence Division by Patrick Beesley. Suddenly the world understood what Winston Churchill had cryptically acknowledged as his 'most secret sources'.

If one of the motives for allowing greater freedom to study Bletchley Park's original intercepts had been to quench a thirst for greater knowledge about Britain's secret history, it was unsuccessful, for in the early 1980s numerous authors, biographers and historians turned their attention to a neglected field. The startling announcement by Prime Minister Margaret Thatcher in November 1979 that Professor Sir Anthony Blunt had been a lifelong Soviet mole who had accepted an immunity from prosecution in April 1964 prompted more research into an area of study that hitherto had been avoided and actively discouraged. Blunt, of course, had served in the Security Service from June 1940 until September 1945, and had confessed to having haemorrhaged to the NKVD every secret that had passed his desk. This news came as a devastating blow to his friends, his family, his surviving wartime colleagues and to an intelligence establishment that had attempted to salvage a reputation tarnished by the defections in 1951 of Guy Burgess and Donald Maclean.

Although Liddell was not alive to endure the pain of Blunt's public exposure, having died unnoticed in 1958, he was to become the focus of intense speculation and criticism. He had known Guy Burgess, who had worked secretly for MI5 in 1940 running, among several other agents in his homosexual *galère*, Eric Kessler, the Swiss journalist and diplomat codenamed ORANGE. Naturally Burgess's covert role for the Security Service had been hushed up at the time of his disappearance, when he had been described as a mere junior diplomat, and the official White Paper on the defection had not even hinted at his wartime links with SIS's Section D and

MI5. Liddell's friendship with Burgess had been embarrassment enough, but he had actually employed Anthony Blunt as his personal assistant, and had entrusted him to conduct the most sensitive inquiries on his behalf. For example, when Blunt first joined Liddell's personal staff he was assigned the task of reviewing the performance of Harry Hunter's embryonic and ineffective Watcher Service, thus enabling him to give his Soviet contacts an authoritative assurance that their *rezidentura* in London had nothing to fear from MI5 surveillance, which was fully occupied in keeping suspected fifth columnists under observation. Checks in MI5's registry showed that Blunt had also completed a lengthy study of TRIPLEX, the highly secret operation in which the diplomatic bags of target neutral embassies were routinely diverted and opened. Worst of all, Blunt had been authorised by Liddell to identify, and report on, MI5's entire stable of agents inside foreign embassies in London. Naturally, Blunt's conclusions were devoured in Moscow almost as quickly as they were read in St James's Street.

The discomfort of Liddell's many friends and admirers turned to anger when his loyalties were questioned. The first to reinterpret some of Liddell's greatest successes as dubious triumphs was Richard Deacon, the author of *The Greatest Treason* (1989), in which he suggested that although the Woolwich Arsenal case had resulted in the conviction of Percy Glading and two other members of his network, the big fish had been allowed to escape. There was some truth to this allegation, in that the Soviet illegals who had controlled the spy-ring had evaded MI5 surveillance and avoided both arrest and identification. Deacon suggested this was a consequence of treason at a high level inside MI5, and not sheer ill-fortune, and he roundly denounced Liddell as 'the fifth man'.

As Anthony Blunt had not joined MI5 until 1940, more than two and a half years after Glading's arrest, Deacon's candidate for the traitor was Liddell. The allegation had stirred Dick White to protest his mentor's innocence, but the scent had been laid eight years earlier by David Mure in *Master of Deception*, in which he drew a scenario with Liddell masterminding one intelligence failure after another, a veritable genius of duplicity helping other moles to burrow deep into the British establishment. Mure's unsubstantiated charges were all the more grave because although Deacon, the pen-name of Donald McCormick, a former foreign editor of the *Sunday Times* and a wartime naval officer, had not served in intelligence, Mure had been based in Cairo during World War II and had been engaged in deception operations across the Middle East. While Deacon's book could be dismissed as journalistic speculation, Mure knew what he was talking about and had been involved in the CHEESE double agent case. Mure's theory was enhanced by the Cambridge historian John Costello who, in his impressive biography of Blunt, *Mask of Deception*, named Liddell as a Soviet spy, but only on the basis that there was no other rational explanation for Blunt's prolonged treachery. Once again, the allegation caused dismay among Liddell's former colleagues, especially when Peter Wright revealed that several mole-hunts had been conducted in the 1960s on the assumption that the Security Service had suffered high-level penetration. Prompted by Mrs Thatcher's inaccurate statement to the Commons in November 1979, drafted for her by MI5, that all the

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incidents of penetration could be attributed to Anthony Blunt, Wright revealed to his co-author Chapman Pincher in *Their Trade is Treachery* that the Deputy D-G, Graham Mitchell, had been a suspected mole before his retirement in September 1963 and, most explosively, that the Director-General himself, Sir Roger Hollis, had also been investigated as a possible spy. Wright was to go into further detail in a subsequent book, *SpyCatcher*, co-authored with the television producer Paul Greengrass, in which he remarked that anybody who read the Liddell diaries could not remotely suspect him of having betrayed his country.

We can now say, based on what has been released from the Soviet archives, and on evidence from the KGB defectors Oleg Gordievsky and Vasili Mitrokhin, that there is nothing to support the assertion that Guy Liddell did anything other than serve the Crown faithfully, and his diaries show a humanity and commitment to democratic ideals which might seem an anathema to most secret policemen.

Hinsley's magisterial oeuvre was followed by an extraordinary development which occurred as a result of the collapse of the Soviet Bloc. The KGB archive, opened to a group of Western historians, was found to include a vast collection of secret documents removed from MI5's registry during the war by Anthony Blunt. Among the papers was an early draft of Jack Curry's internal history of MI5, written in 1945 and covering the period from 1909. When this was declassified in Moscow, the Director-General, Dr Stephen Lander, himself a Cambridge-educated historian, approved the release of the final version to the Public Record Office at Kew. Curry's history was to be published, but it had been redacted and gave a very partial view of MI5's performance, skating over the difficulties experienced by Liddell, who was scarcely mentioned. Also released was Colonel Robin ('Tin-Eye') Stephens' postwar account of Camp 020, MI5's secret interrogation centre at Ham Common. Stephens had been the camp's controversial commandant and, as might be expected, his views were colourful and robust. However, although the author gave individual pen-portraits of some of the inmates, he was unaware of the wider counter-intelligence scene so his section's history gave a less than comprehensive picture, and of course omitted any references to Liddell.

Liddell's own diaries were never intended for publication, and were read only by selected MI5 officers as a training aid to give an idea of how the Security Service had risen to the challenge of a world war with the Axis powers. Dictated to his secretary Margo Huggins each evening, they act as a war diary for an agency which kept meticulous personal and subject files on suspect spies, subversives and organisations. Throughout the Cold War they were considered so sensitive that they were codenamed WALLFLOWER and retained in the Director-General's personal safe, to be shared with, among others, Peter Wright.

So what makes the *Liddell Diaries* so important? First, there is the information that can be found nowhere else. When referring to 'special material' Liddell inadvertently reveals the countries, including France, Eire, Persia, Finland, Sweden and the Soviet Union, which were the subject of regular telephone monitoring. Hinsley exercised considerable, understandable discretion over diplomatic targets, and doubtless was under an obligation to avoid identifying the countries monitored regularly and

successfully. Yet Liddell's comments prove that at least the telephone communications of certain embassies were recorded on a regular basis and circulated to senior intelligence officers. They are also an extraordinary daily commentary on what was truly happening behind even the most *sub rosa* of scenes. For example, on one occasion an SIS officer asked Liddell to record in his diary a prediction, to see if it would come to pass, and on another Liddell noted a request for a particular issue to be omitted from the official minutes of the meeting.

As well as describing investigations conducted by MI5 not mentioned elsewhere, Liddell also gave an insider's account of the tensions that existed between the government, Whitehall and other agencies. Whereas Liddell's Director, Jasper Harker, evidently worked well with the Permanent Under-Secretary at the Home Office, Sir Alexander Maxwell, he found the creation of the Home Defence Security Executive in June 1940 a major irritant. The Security Executive was established because of what Churchill perceived as chaos in MI5's management when he dismissed the Director-General, Sir Vernon Kell. The exact constitutional role of the Security Executive was never fully established and Liddell certainly resented the interference of (Sir) William Charles Crocker, an influential City solicitor who had little idea of MI5's work and disastrously transferred a group of Scotland Yard detectives into B Division, much to the irritation of Special Branch. Crocker had been imposed on MI5 to shake up the organisation, but his activities, combined with the interference of another outsider, Malcolm Frost from the BBC, were to cause lasting resentment within the Security Service.

Liddell makes no attempt to conceal the internal rivalries and friction that at times threatened to paralyse the entire organisation. Miss Paton-Smith's all-important Registry seethed with discontent and the imposition of a Wireless Branch to supervise illicit communication with the enemy proved a short-lived and wasteful experiment, a classic example of duplication and bureaucratic ineptitude. The arrival of Reg Horrocks, a management expert, and his assistant, Mr Potter, to advise on improvements, did little to alleviate the tensions that developed inside the organisation, as well as with SIS, RSS, SOE and PWE, all clandestine departments that were occasionally viewed as adversaries.

The Guy Liddell Diaries are of enormous significance for two reasons. First, very few people were in a position to take a broad overview of the conduct of the war from a vantage point that included access to all the most secret information available. Churchill, of course, saw plenty of ULTRA decrypts and enjoyed poring over the original Enigma intercepts that Stewart Menzies selected for his inspection each morning, but few other members of his War Cabinet were privy to the source of his sometimes eerily prescient knowledge of the enemy's intentions. None of the other published war diaries, including those of the CIGS, General Sir Alan Brooke, referred to golden eggs laid at Bletchley, so on the basis of a global perspective, the *Liddell Diaries* are important historical documents. The second reason, already mentioned, is the paucity of material available from inside the Security Service. Whereas four of the wartime double agents wrote about their adventures – Lilly Sergueiev (codenamed TREASURE), John Moe (MUTT), Dusan Popov (TRICYCLE) and Eddie Chapman

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(ZIGZAG) – none of their case officers broke their silence. The lacuna is all the more remarkable given the number of authors who worked in the Security Service. Max Knight, John Bingham, William Younger, Gerald Glover and Derek Tangye were all to write books, and although some of them published spy novels, none gave non-fiction accounts of the cases they had run, or even disclosed the true nature of their employment. The single exception was Joan Miller, one of Max Knight's secretaries, who was used to penetrate a group of suspected fifth columnists in 1940, and later gave a brief version of her experiences in *One Girl's War*, an innocuous memoir eventually published in Ireland after legal injunctions prevented it from being released in England.

Within the diaries Liddell inserted a couple of items, one being a summary of enemy agents compiled by Helenus Milmo, that has been added to these pages as appendices. The other, no less instructional, is a memorandum written by Lord Rothschild to Liddell at the end of March 1942, remarking on a description of an unidentified British counter-intelligence officer given by W. Somerset Maugham, the author of *Ashenden* and himself an SIS officer during World War I. In fact Liddell's diaries reveal that he had lunched with Maugham in August 1940, to help him with a series of articles he had been commissioned to write about fifth columnists, but as this social occasion had occurred before Rothschild had joined MI5, he perhaps had been unaware of its full significance. Rothschild writes:

Taking into consideration the disguises you habitually put on when out of the office I think that the following extract from a recent book by Somerset Maugham might be of interest to you:

I examined a number of secret reports dealing with the Fifth Column and I was fortunate enough to meet some of the men whose job it is to watch its activities in Britain and to take the necessary steps to counter them. I cannot tell their names; I can only say that in appearance they do not at all resemble the secret agents of fiction. If you met them you would never dream they have anything to do with the occupation they follow. Another was a plump man with grey hair and a grey moon face, in rather shabby grey clothes. He had an ingratiating way with him, a pleasant laugh and a soft voice. I do not know what you would have taken him for but if you had found him standing in a doorway where you had sought refuge from a sudden shower – a motor salesman perhaps, or a retired tea planter.

From amusing anecdotes to deadly serious issues of life and execution, Liddell takes us through the matters that preoccupied him while he fulfilled one of the most demanding roles in Britain's most secret wartime world. In short, until now there has never been any authoritative insider's account of what it was like to work in the wartime Security Service, nor any candid commentary on the counter-intelligence conflict fought by MI5 against both the Axis and the Soviets.

Nigel West

1939

28 August

We reviewed the position generally regarding measures that could be taken now in order to speed up the arrest of cases under Defence of the Realm Act, Clause 24(c), on the outbreak of war. I suggested to Jasper Harker that he should see Home Office and find out whether they approved all the cases we have put before them. If so, do they agree to our giving the names of these people to chief constables, and asking them to keep the individuals more or less under observation from now onwards.

We can I think assume that nearly all Germans featuring on our Suspect Index will have gone prior to a declaration of war. The only possible exceptions are Fräuleins Ahleldt and Binzer, both of whom are remaining, it is thought only because they expect that as women they will be repatriated. Discussed whether it was worthwhile getting a Deportation Order against them. It was generally agreed that this would serve no very useful purpose.

The case of Kuchenmeister was also discussed, but we felt that the chances were that he had already gone and that there was very little that he could pass on to the Germans that he has not given them already. The only thing he could possibly report would be increased activity which on the whole might be a good thing. He must already know the location of all our armament factories.

SIS telephoned to say that from an intercepted conversation between Herr Kling of the German Embassy and Lord Brockett, the latter was meeting Kling at a picture-shop halfway down St. James's Street. Brockett said "The owner is a great friend of mine. This is confidential. I will be there and bring my wife. It will not be so suspicious then. The owner does not know who I am supposed to be meeting. 30 St. James's Street is the number."

We ascertained that this was Leggatt's the print shop but did not see however that any useful purpose would be served by observation, unless general suspicion attaches to the activities of Lord Brockett. It seemed possible that Downing Street might be making use of him so I suggested therefore to Harker that he should find out from Sir Joe Ball if this were so.

29 August

We informed the Director of Naval Intelligence a short time ago that as a result of a speech of Lord Stanhope's mentioning the efficiency of our submarine detectors, the German intelligence service had become very interested in this matter, as they themselves had nothing of the kind. Enquiries made by a naval officer show that Asdic is being fitted to trawlers in a number of ports by naval ratings. The firms undertaking this work and local police have been warned, but the surface of leakage is bound to be considerable. The Admiralty suggested that an MI5 officer should be sent down to each port with a view to ascertaining that undesirable people do not have access to the trawlers in questions. I discussed this matter with Jasper Harker but it seems that no useful purpose can be served by the presence of an MI5 officer and that all that can be done in the circumstances has already been done.

30 August

Klop has sent in a report which indicates that the Germans have got the jitters. It is rather a case of order, counter-order, disorder. There have been recriminations between Nazi Party and non-Party men. Non-Party men are saying: "We always told you that you get us into this mess, and you will be the first people to suffer for it." P has the impression that we have Hitler on the run and that nothing should be done to provide him with a golden bridge to make his getaway.

'P' was Wolfgang zu Putlitz, a German diplomat and formerly the press attaché at the German Embassy in London who had been run by Klop and Dick White for several years.

I discussed this morning with Eric Holt-Wilson and Patrick Cooper (of the Ministry of Supply) the Home Secretary's suggestion that tribunals should set up to deal with enemy aliens. My personal feeling is that enemy aliens should be interned and that they should be called upon to show cause why they should be released. The present suggestion, which envisages a tribunal in each police district, will not in my view be able to deal with all the cases for at least eight months. In the meantime the Germans will have an opportunity of working on enemy aliens in this country and organising them into some sort of intelligence service. From an MI5 point of view, it would be far preferable to have them put away. I was told however that it had already been decided by the Committee of Imperial Defence that internment of all enemy aliens was impossible and undesirable and that there was nothing further to be done.

31 August

I discussed with Dick White the question of searching the German Travel Bureau and steamship line offices in time of emergency. We agreed that this would be desirable, and he is getting out the necessary particulars for the Special Branch.

Klop has sent in another report emphasising the previous one. He seems very confident that disintegration has set in and even suggests that if the order were now

given it is doubtful whether the Germans would march. It is difficult to estimate how much his views are based on documents or on gossip in diplomatic circles. It is also difficult to assess the significance of the new War Council from which Goebbels, Himmler and Ribbentrop are all excluded. It may be one further move in the general game of bluff, or it may indicate that there has been some sort of serious internal dissension.

1 September

I attended a meeting at C's office at 9. 30 to discuss with Captain Daru of the *Deuxième Bureau* the setting up of an Anglo-French Bureau in this country. The purpose of the Bureau is to obtain information from existing French agents operating through Scandinavian countries and to recruit such agents from neutral seamen and others who may be thought suitable. For this purpose it is necessary for them to have a close liaison with ourselves and have the necessary facilities at ports through our security officers and the immigration authorities. We shall also be able to give them other facilities, although their main purpose is espionage and not counter-espionage. Major Thornton of SIS will be a permanent representative on the Bureau and act as liaison officer between the French and ourselves. The French Bureau will consist of Captain Daru and two other officers, and a staff of about nine secretaries and orderlies. The Director-General has approved of this arrangement.

After this meeting I went on with Felix Cowgill to Transport House where we saw Tollerton. We have arranged with him to obtain a document which will fill the requirements of our double-cross agent Peters. The Ministry of Transport has a very elaborate and efficient scheme for the diversion of shipping which is already in operation. A questionnaire to ports was sent out some time ago in order to enable the Ministry of Transport to work out this system. We are letting Peters have a copy of this questionnaire which he could quite easily have obtained since it has been in the hands of port authorities.

At the request of the Home Office, the Director-General and Harker agreed that nobody on our lists of Nazi Party members or suspects should be stopped at ports unless we had any very special reasons for holding them.

2 September

The Director-General suggested to the Commissioner of the Metropolis that he might consider having up Sir Oswald Mosley and Harry Pollitt and asking them what their attitude is and that of their party in the present situation. It was thought that in this way one might get some public declaration of policy from them which would help us and the police dealing with the Fascist and Communist problem.

The Commissioner thanked the Director-General for the suggestion but was actually at the time considering what course of action he should take with regard to both parties. He had come to the conclusion that for the time being it would be

better to wait and see whether they infringed the law in any way. If they did, he would act immediately.

Francis Aiken-Sneath says that until 31 August the Fascists were taking a definitely pro-German attitude, but that there had not been any time to estimate whether a change had taken place in the last two days.

Roger Hollis says that the Communist Party shows strong signs of supporting the war on grounds of Germany's aggressive action to deprive the Poles of their independence.

3 September

Present reports show that out of a total of 826 Germans, 349 have left voluntarily and 69 have been arrested. This leaves a total of 408 unaccounted for.

The Germans have also protested about the arrest of Graf the baker. We have given orders that he is to be held, as we wish to interrogate him.

At present, with the exception of sixteen individuals specially selected by us as technicians, all Germans are being allowed to leave. Other aliens can also leave without permission for a period of about seven days when the Permit Office will be set up. The same applies to British subjects.

The Oxford Don took matters into his own hands yesterday and objected on security grounds to the internment of two Germans who had been resident here since 1926. The Home Office got into a flat spin and the decision had to be reversed.

4 September

[Deleted] of SIS rang up to say that he thought that they might usefully recruit some agents from our interned suspects before they were sent back to Germany so I arranged with Dick White to look out for any likely cases.

Special Material of 2 September showed that at 9.20pm von Hessen was trying to establish contact with Sir Horace Wilson through George Steward of the Downing Street press office. From a conversation that von Hessen had had at 9pm with Dr Paul Schmidt, the interpreter in Berlin, it was clear that Schmidt, who was apparently acting more or less on his own, was anxious to get Sir Horace Wilson over to Berlin on a confidential mission which should not be disclosed either by the Germans or ourselves. The impression given was that Schmidt was genuinely working for an eleventh-hour settlement behind the backs of his chiefs.

The Americans, through our embassy in Washington DC, have informed us through Isaac Don Levine, a journalist who was closely associated with Walter Krivitsky, the Soviet agent, that a coding expert named King of the Foreign Office has for a long time been handing out information to the Soviet authorities. They also have another agent (unidentified) in the Cabinet Secretariat. King appears likely to be John H. King. Sir Alexander Cadogan is prepared to let him run for forty-eight hours on the chance of our procuring evidence, but he is then to be

arrested. Jasper Harker is consulting Sir Horace Wilson about the man in the Cabinet Secretariat.

John King was arrested and confessed to espionage. The unidentified spy in the Cabinet Secretariat was John Cairncross, who would continue to spy until 1951.

5 September

We have an interesting report from Special Branch about the attitude of the Communist Party. They have decided to liquidate their branch offices and to adjust their press to conform with the war policy. They also intend to join the army and show that they are able fighters in the cause of anti-Fascism. While they realise that they may lose 75% of their membership they think that after hostilities cease they will have made a strong nucleus on which to build in the remaining 25%.

We are prepared to let Communists into the army rank and file but it is not our intention that they should obtain posts where they have access to confidential information. Tom Wintringham has just applied for such a post under the War Office, with the Transport, Mechanical Section, which is anxious to employ him. We are intending to oppose his employment in a confidential capacity.

Tom Wintringham, a veteran of the Spanish Civil War, was a leading CPGB member and assistant editor of Workers' Weekly.

John Dulanty, the High Commissioner for Ireland, rang up today to know if we would allow thirty Germans to pass through this country in transit. He said they were all decent people who wanted to return to their own country. He is going to give us their names. He complained that Dublin was unable to get into telephonic communication with their legation in Paris, but he is going to tackle the Dominions Office about this.

Special Branch has informed us that 139 Germans have been arrested and 12 British subjects, leaving 260 still unaccounted for, probably because the search of the Travel Index is not yet complete.

A man calling himself William Muller, alias Knigge, went to the police today offering information. He said that on the advice of the British Consul in Cologne he had returned here on 2 September, that he had been working on various fortifications on the western front and could offer information of value. He was detained at Rochester Row police station pending examination by Edward Hinchley-Cooke who tells me that he is a thoroughly unsatisfactory person. His passport bears no outward stamp by the German authorities although he says the train was held up at the frontier. The fact that he comes from Cologne is also suspicious. We are proposing to hold indefinitely or at any rate until we can make further enquiries.

A Jew called Rosenstein turned up at the Home Office saying he had a lot of information about fortifications on the Rhine. It appears that he had been to several other offices but everybody was too busy to talk to him but he had been seen

by Francis Aitken-Sneath. Max Knight has got an agent who is to be in charge of Mosley's secret headquarters. The British Union of Fascists have already gone very near to infringement of the Defence of the Realm regulations on an instruction that they have issued to their members in the forces.

Our agent Dawkes has received £20 from the Germans through a bank in Oslo, and has enquired regarding ways and means of communication in the future in view of censorship.

6 September

There is a question tabled in the House of Commons to ask what steps have been taken to liquidate the Link and the Anglo-German Fellowship. Coka Carroll of the Link [*and editor of the Anglo-German Review*] has already handed in a complete list of his members to the police and offered to give them facilities to search his papers. By now he has probably destroyed anything of an incriminating nature. As regards the Anglo-German Fellowship, this organisation has been moribund for some time.

T.A. Robertson's section reports that warning signals were intercepted before the raid on Kiel somewhere in the vicinity of Driffield aerodrome from which the raid started. This seems to call for some action to clear all areas in the vicinity of aerodromes and I am taking this up.

Edward Hinchley-Cooke, on the basis of a suspect telegram, interrogated a German at the London Hotel and took certain of his correspondence including a letter in code to somebody up north. The code had the appearance of being a perfectly ordinary business one, but the man at the London Hotel was obviously so alarmed that enquiries were made. It now turns out that the individual in the north, Raydt, has confessed that he was a German spy.

The Ministry of Supply has asked that a German at present employed in Wales should be sent urgently to the Royal Ordnance Factory at Irving, Ayrshire to assist in the erection of a machine. He appears to be the only man who knows anything about the job. I said that we would arrange with the local Chief Constable for the man to be sent up under escort, that the Ministry of Supply would have to be responsible for him while he was working in the factory and that the Chief Constable of Ayrshire would look after him at the end of his day's work. The responsibility for any mishap in the factory would have to lie entirely with the Ministry of Supply, and as soon as the man has completed his work for the War Office he would be interned as a technician. It seems amazing that we should be dependent on a German at this moment for the working of our Ordnance Factories.

7 September

A wail has gone up from the acting German Consul in Glasgow who writes to the German Foreign Office from prison: "*Seit Samstag sitze ich hier im Gefängnis von Barlinnie*" ('I have been in Barlinnie prison since Saturday').