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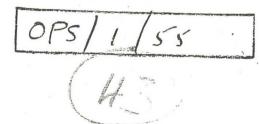
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TOP SECRET

Copy No. 5

S 50/96/4

14th December, 1955.



CABINET

#### **COUNTER-SUBVERSION**

#### MEMORANDUM BY THE PRIME MINISTER

The term "counter-subversion" is used in this paper to mean clandestine activities, whether by propaganda or by operations, directed against Communism or, in the Colonies, against subversive forms of nationalism.

The Foreign Secretary has suggested, in his minute of 19th October, that we should review our policy in respect of these activities. I have considered his proposals, and the comments on them made in minutes sent to me by the Colonial Secretary and the Minister of Defence on 15th and 23rd November. I have also taken into account a memorandum by the Chiefs of Staff (C.Ö.S. (55) 262) onmeans of countering covert aggression. I have reached some provisional conclusions which I should like to discuss with the Ministers most directly concerned. These are set out in the following paragraphs of this paper, which may serve as a basis for our discussion.

#### **PRINCIPLES**

1. Counter-subversion is an instrument of policy, not an end in itself. It is usually subsidiary to the main, overt, means by which Government policy is pursued. Its role is to support and supplement the Government's overt policy—in relation to foreign countries, its foreign policy: in the Colonies, its Colonial policy. It must therefore remain wholly within the control of the Minister responsible for policy, and be carried out under his direction. The Foreign

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Secretary must be responsible for all counter-subversion in foreign countries; the Colonial Secretary must be similarly responsible for counter-subversion in the Colonies.

2. Subject to the Prime Minister, the Foreign Secretary should retain sole control over C's organisation.

C's activities in support of foreign policy should remain subject to the

Ministerial control of the Foreign Secretary.

To the extent that C operates, with the Foreign Secretary's approval, in the Colonies, his activities in support of Colonial policy should be subject to the Ministerial control of the Colonial Secretary.

#### POLICY

3. Ministers should from time to time define, for the guidance of all concerned, the extent to which counter-subversion may be undertaken in support of foreign policy or of Colonial policy. It is important that there should be no room for misunderstanding about this.

I agree with the views put forward by the Foreign Secretary and the Colonial Secretary about the extent to which it would be expedient for us to undertake counter-subversionary activities at the present time. I suggest that, on the scope of counter-subversion, a policy directive should be issued on the following lines:—

(i) We should not attempt any major campaign of counter-subversion against

Communist-occupied countries.

(ii) We should in principle be prepared to use counter-subversion in Colonial territories, as a means of countering Communism or subversive nationalist movements. This will, however, be subsidiary to the main methods of preserving public order and a healthy state of public opinion in the Colonies (viz., sound Colonial administration, good police organisation and an effective intelligence system); and the extent to which counter-subversion can profitably be used as a subsidiary instrument of Colonial policy will need detailed study Colony by Colony.

(iii) We should be ready to make more use of counter-subversion in the smaller countries in the Middle East and in South-East Asia which are seriously

threatened with Communist infiltration.

#### **ORGANISATION**

4. Proposals for counter-subversion are at present considered by the Official Committee on Communism (Overseas)—an inter-departmental Committee of officials with the following terms of reference:—

"To stimulate and co-ordinate under the general supervision of Ministers all anti-Communist activities (including those relating to information) overseas."

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These terms of reference require the Committee to concern themselves with means of countering Communism in all countries overseas. The Committee have in fact concerned themselves mainly with covert activities. But they have no responsibility or concern with the overt aspects of policy, which these covert activities are designed to support. Nor is their membership such that they can assess together the joint effects of the overt and the covert aspects of policy—whether foreign or Colonial.

A different form of organisation will be needed to give effect to a policy

directive on the lines suggested in paragraph 3 above. For—

(i) If counter-subversion is to be undertaken only in a limited number of countries, we do not need an inter-departmental Committee charged with the duty of "stimulating and co-ordinating" anti-Communist activities in all countries overseas.

(ii) If counter-subversion is to be closely related to, and used in support of, the overt aspects of policy (foreign or Colonial) the necessary co-ordination between overt and covert aspects of policy cannot be secured through a Committee of this kind, which is concerned primarily with covert activities.

To ensure that counter-subversion is used in support of, and in congruity with, the overt aspects of policy we need, in my view, a "vertical" rather than a "horizontal" form of organisation.

5. In relation to counter-subversion in *foreign* countries, I doubt whether we need any inter-departmental organisation at all. This counter-subversion will be used solely in support of foreign policy, and it will be carried out by an organisation which is already under the Foreign Secretary's control. It may be that special steps will need to be taken to ensure that political Departments in the Foreign Office, and Missions abroad, will give more thought to the role which counter-subversion may be able to play in supporting policy. For this purpose some internal machinery may be needed within the Foreign Office. But all this is within the Foreign Secretary's jurisdiction, and I see no need for any inter-departmental Committee of officials. At the Ministerial level, all that is needed is that the Foreign Secretary should consult with the Prime Minister, as required, on policy—and also on the expediency of undertaking specific "operations" involving special risks.

6. In relation to counter-subversion in *Colonial* territories, some inter-departmental machinery will be needed, for the following reasons:—

(i) Some of the territories concerned are moving towards independence. Therefore, looking to the future, the Commonwealth Relations Office are concerned, as well as the Colonial Office, and we must work out (territory by territory) means of safeguarding our own intelligence interests after independence has been attained.

(ii) The Foreign Office must be a party to any arrangements for using C's organisation (which they must continue to control) in the Colonies.

(iii) If C is to conduct counter-subversion in Colonial territories, there may be some intricate adjustments to be made in the respective functions of M.I. 5. and M.I. 6.

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At the Ministerial level all this should be supervised by the Colonial Policy Committee.

On some of these problems, however, Ministers will need the help of a small body of officials. The Official Committee on Communism (Overseas) would be inappropriate for this purpose. What is needed is a small group comprising senior representatives of—

Foreign Office Commonwealth Relations Office Colonial Office M.I. 5. M.I. 6.

This body should work under the direction of the Colonial Policy Committee.

A. E.

10, Downing Street, S.W. 1, 10th December, 1955.

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TOP SECRET

S. 50/96/4/1st Meeting

CABINET

#### COUNTER-SUBVERSION

NOTE of a Meeting of Ministers held at 10, Downing Street, S.W.1., on FRIDAY, 24TH FEBRUARY, 1956, at 11.30 a.m.

#### PRESENT:

The Rt. Hon. Sir Anthony Eden, M.P., Prime Minister

The Most Hon. the Marquess of Salisbury, Lord President of the Council

The Rt. Hon. R.A. Butler, M.P., Lord Privy Seal

The Rt. Hon. Harold Macmillan, M.P., Chancellor of the Exchequer

The Rt. Hon. Selwyn Lloyd, Q.C., M.P. Secretary of State for Foreign Affairs

The Rt. Hon. the Earl of Home, Secretary of State for Commonwealth Relations

The Rt. Hon. Alan Lennox-Boyd, M.P., Secretary of State for the Colonies

The Rt. Hon. Sir Walter Monckton, Q.C., M.P., Minister of Defence

#### SECRETARIAT:

The Rt. Hon. Sir Norman Brook Mr. P.R. Odgers

ops/155p.43. Prime Minister (S. 50/96/4 of 14th December, 1955) on the extent to which The Meeting had been convened to consider a memorandum by the counter-subversionary activities should be carried on at the present time, in foreign countries and Colonial territories, and on the organisation in this country for supervising the conduct of those activities.

> In discussion of this memorandum the following points were raised:-

- (a) The Meeting endorsed the statement, in paragraphs 1 and 2 of the memorandum, of the principles determining Ministerial responsibility for counter-subversionary activities.
- (b) The Meeting agreed that the extent to which counter-subversionary activities should be conducted at the present time should be governed by the statement of policy in paragraph 3 of the Prime Minister's memorandum.
- (c) THE PRIME MINISTER said that he would like to see an outline of plans for counter-subversion in each of the countries to which its application was authorised by paragraph 3 of his memorandum.

THE FOREIGN SECRETARY said that, so far as concerned foreign countries, he was already reviewing the problem, country by country. He would arrange for the results of this review to be submitted to the Prime Minister.

As regards Colonial territories, it was agreed that plans should be formulated by the Official Committee to be constituted in pursuance of the recommendation in paragraph 6 of the memorandum. The proposals of this Committee would be submitted in due course to the Colonial Policy Committee.

- (d) Attention was drawn to the fact that, in consequence of a directive issued by the then Prime Minister in 1948, no activities of any kind were undertaken by M.I.6. within the territories of independent members of the Commonwealth. The Meeting agreed that activities of the kind covered in the memorandum under discussion could not properly be pursued in those territories. THE COMMONWEALTH SECRETARY undertook to submit to the Prime Minister a report on the directive issued by Mr. Attlee in 1948 and on any difficulties to which it had since given rise.
- (e) In paragraph 5 of the memorandum it was suggested that some internal machinery might be needed within the Foreign Office to ensure that full account was taken of the role which counter-subversion might be able to play in support of foreign policy.

The Meeting were informed that a special Committee had been established for this purpose within the Foreign Office, under the Chairmanship of the Parliamentary Under-Secretary of State for Foreign Affairs (Mr. Dodds-Farker). THE MINISTER OF DEFENCE suggested that it would be useful if a representative of the Chiefs of Staff could attend meetings of this Committee. THE FOREIGN SECRETARY welcomed this suggestion. It was agreed that Major-General W.G. Stirling should attend meetings of this Committee on behalf of the Chiefs of Staff.

(f) In paragraph 6 of the memorandum it was suggested that a Committee of officials should be established to consider, under the direction of the Colonial Policy Committee, the problems involved in conducting counter-subversionary activities in Colonial territories. This suggestion was approved. It was agreed that the Secretary of the Cabinet should take the Chair of this Committee in the initial stages of its work. It was also agreed that a representative of the Chiefs of Staff should attend meetings of this Committee and that Major-General W.G. Stirling should be appointed a member of this Committee in that capacity.

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- (g) The Meeting agreed that, in view of the establishment of the two Committees proposed in paragraph 5 and 6 of the Prime Minister's memorandum, the Official Committee on Communism (Overseas) should now be disbanded.
- (h) THE FOREIGN SECRETARY drew attention to difficulties which had arisen in obtaining authority for expenditure on overt measures taken in support of counter-subversionary activities. Thus, arrangements had been made for a number of officers from foreign countries in South-East Asia to attend a course of training in Malaya in methods of counter-subversion, but the War Office had felt unable to defray the cost of their travelling expenses as their attendance on this course could not be justified on military grounds alone. It was undesirable that the size of the Secret Vote should be swollen unnecessarily by the addition of avowable expenditure of this kind. It was therefore suggested that provision should be made, in the Votes of the Departments concerned, for a small allocation of money under the heading "Training" which could be used for unforeseeable contingencies of this kind. The total sum involved would not exceed about £25,000 a year.

The Meeting agreed that the Treasury and the Foreign Office should together work out means of overcoming the difficulty to which the Foreign Secretary had drawn attention.

The Meeting -

- (1) Approved the proposals in the Prime Minister's memorandum S. 50/96/4 of 14th December, 1955.
- A(()) (2) Agreed that the Official Committee on Communism (Overseas) should be disbanded.
  - (3) Agreed that Major-General W.G. Stirling should attend, on behalf of the Chiefs of Staff, meetings of the Committee established within the Foreign Office in pursuance of paragraph 5 of that memorandum.
  - (4) Invited the Secretary of the Cabinet to take the Chair of the Committee to be appointed in pursuance of paragraph 6 of that memorandum; and agreed that Major-General W.G. Stirling should attend meetings of that Committee on behalf of the Chiefs of Staff.
  - (5) Invited the Chancellor of the Exchequer to arrange for the Treasury to consider, in consultation with the Foreign Office, how best to make provision for minor expenditure on overt measures taken in support of counter-subversionary activities.

Cabinet Office, S.W.1.

STRICTLY CONFIDENTIAL

#### SIR I. KIRKPATRICK

Flag

The Secretary of State spoke to me about this last week. He told me that the Chiefs of Staff were very strongly opposed to the Prime Minister's memorandum (I knew that already). replied that I thought that the memorandum was right and that it would be better for the Chiefs of Staff to keep out of this sort of activity because they could not be responsible for the policy, which must be the Foreign Secretary's, and they in fact had virtually no resources to help. I said that it seemed to me that the Prime Minister's memorandum was logical and that, if Ministers really decided to be resolute about countersubversion and give instructions accordingly, the job could be done.

The Secretary of State is still uneasy on this point and referred to General Templer's special position. He thought perhaps a representative of the Chiefs of Staff should be added to the small official group mentioned on page 4 of the I said that of course there would be no objection memorandum. to telling General Templer and the Chiefs of Staff generally about what was going on, but the trouble was that they conceived it their duty to "stimulate" action and were always interfering in the details of the special operations which were not their concern. (Recent events in Jordan will of course encourage the Chiefs of Staff because General Glubb is appealing for money and suggesting a number of possible courses of action and his lines of communication lie through the War Office.)

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The Secretary of State then went on to say that in any case our intelligence was not right and that we were not active enough in dealing with subversion. I told him that we were at work on trying to improve the arrangements for intelligence - by diverting some of the collecting effort away from the Russian order of battle to the "grey" territories of the world and by setting up an improved collation system inside the Foreign Office Incy/359-p3 (c.f. my minute of December 22). The Secretary of State said the thought that perhaps Mr. Dodds-Parker should be put in charge of all this sort of thinks in the Foreign Office and should he thought that perhaps Mr. Dodds-Parker should be put in charge of all this sort of thinking in the Foreign Office and should report to him about it. He said that he thought it would be useful for a Minister to be closely concerned because he could then talk to the Chiefs of Staff and the Minister of Defence as well as discussing with the Secretary of State himself.

- I rather demurred to this and asked for more time to think I said again that the Chiefs of Staff were not it all over. the people primarily concerned and that in any case it was much better for me to talk to them instead of a Minister, and the Secretary of State agreed with this. He thought that Mr. Dodds-Parker could talk to the Colonial Secretary, but I said that the trouble are that it did not lie with the Colonial Secretary but with the officials in the Colonial Office, particularly with the senior ones. The upshot was that I took the papers away to think the whole thing over further and to gain time in order to talk to you.
- 5. The Secretary of State's idea about Mr. Dodds-Parker springs? from the desire to give him enough to do, as he himself say I think it might be useful for a Minister to be associated with the improved intelligence arrangements if these come into force

in some form which I have suggested in the Foreign Office, and also with the arrangements for special operations and so on if Ministers agree that we are to be more active in this field. But it does seem that the primary responsibility must remain with you because secret money is involved and it would be quite wrong to allow a junior Minister into the details of our secret funds, reserves, etc. The Treasury in any case would object strongly. It would perhaps meet the Secretary of State's wishes if we could arrange that Mr. Dodds-Parker should sit in; if he so desires, and certainly be consulted about any intelligence appreciations produced in the Foreign Office and the same in general about any possible operations. But I think the details must be left to the officials working under you and that it must be you that advises the Secretary of State about these matters, that

6. As regards the Prime Minister's memorandum, the next step is for there to be a meeting of Ministers. I think it would be a great mistake if this were to take place before Sir N. Brook is back at work, which now seems likely to be within the next week to ten days. He has strong views and clear ideas, and I should be a little afraid of what might happen if Ministers ment and General Templer was asked to be present which might well happen. The result might be a bigger and better A.C.(0) Committee which would make the present confusion worse and be seriously embarrassing to the Foreign Secretary.

7. Finally, the Secretary of State mentioned more than once the unsatisfactory state of affairs in the Colonies. I fully agreed with him on this, but said that our object at present was to try and make certain that the arrangements for foreign territories were as good as they could be and that it was up to Ministers to make the Colonial Office follow suit for the Colonies.

8. I should much like to have a word with you about this if I may fairly soon.

(P. Dean)
December 31, 1955.

## ORGANISATION OF INTELLIGENCE IN THE FOREIGN OFFICE

Ministers and Chiefs of Staff have now accepted the view that global war is unlikely for the next three to five years and probably for longer. On the other hand it is generally agreed that the so-called "cold war" will be intensified and will spread rapidly to the "grey" areas of the world such as the Middle East, South-East Asia, Africa, the Colonies and possibly Central and parts of South America.

- 2. A parallel shift of emphasis in our intelligence from a possible global war to a present and increasing cold war has been going on for some time. For instance, nearly all the intelligence now considered by the Joint Intelligence Committee in its weekly review is of a political/economic nature. Recent trouble spots have nearly all been of the same type, for instance, Cyprus, Guatemala, Singapore, the Middle East area generally and Vietnam since the cessation of hostilities.
- 3. The J.I.C. are considering whether some part of the considerable effort put by our collecting agencies (particularly J.I.B., our friends and G.C.H.Q.) into obtaining intelligence about the military organisation, capabilities, state of preparedness, etc., of the Sino-Soviet bloc could not be switched more profitably and successfully to these "grey" territories where the politico/economic/cultural threat is more imminent. If some of the effort directed to obtain order of battle and similar types of intelligence could be dropped, the resources thus freed could be used to obtain intelligence about Communist plans for subverting and penetrating the "grey" areas.

(Note: the expressions "Communist" or 'Sino/Soviet" are not being used in this minute to denote purely Communist or Russian/Chinese plans: they would include also extreme nationalist plans etc., which are likely to receive support and comfort from the Sino/Soviet bloc and local Communist movements.)

- 4. In discussing this the J.I.C. have formed the view that the primary responsibility for collating and assessing this sort of information about these sorts of countries must rest with the Foreign Office and, in the case of the Colonial territories, with the Colonial Office. It has so become plain that much of the necessary information is already available in departments of the Foreign Office (and no doubt in the Colonial Office too) and in closely related departments such as the J.I.B. and our friends. There is also probably useful information available in the C.R.O., and on the economic side in the Treasury and the Board of Trade. For instance, enquiries have shown that almost all the intelligence and information which revealed that the Russians were planning to launch a major economic drive in the Middle East, beginning with Egypt, this autumn was available to Foreign Office departments (and to the J.I.B. and our friends) as long ago as last February/ March.
- 5. While the problem whether our collecting agencies should be switched rather more on to this form of intelligence is being further examined by the J.I.C., there is a strong case for seeing what steps can be taken by the Foreign Office to improve immediately the organisation for collating and assessing Sino-Soviet intentions and plans, both general and particular, for attacking and increasing their influence in these "grey" territories. At present the political departments concerned are so heavily engaged in day-to-day business that very few longer-term studies are made and little

effort is being put into pulling together all the evidence available about longer-term Communist intentions, assessing them and forming an estimate of what is likely to happen in any period beginning a few weeks ahead and onwards. If this could be done Ministers could often be forewarned to a great extent of what is likely to happen and there would be more time to take some counteraction.

- If it is agreed that an organisation to collect and assess this sort of information would be valuable, the problem of how it. should be set up must also be considered.
- I suggest that what is required is a small group at about First Secretary level of good quality people to meet regularly to consider the available reports, information and evidence, and to produce quick forecasts of Communist bloc intentions and plans, and where possible suggestions for dealing with them. Those constituting this group should be members of regular Foreign Office departments but detached from most of their daily work. They must know what is going on in their respective departments, but not be smothered by the volume of current business. They must have enough time to sit back and read the available information and to think out the implications on a longer-term than is at present possible. They should probably meet regularly once a week and more often for drafting purposes etc. as required.
  - 8. The constitution might be as follows:-

From the Foreign Office:

1 to cover the U.S.S.R. and satellites, 1 to cover the Middle East,

1 to cover the Far East,
1 (on call) for Central and South America,
1 (on call) for economic matters,
1 (on call) for information matters.

The Chairman might be the Head of P.U.S.D. who could make himself responsible for all relevant extraneous matters such as the Commonwealth, Colonies, the military aspects and so on, when it was not necessary to call on an outside expert. In addition, the friends and J.I.B. should be asked each to have one officer immediately available for the task in hand. Research Department would come in as required.

- Such a group, which would normally consist of somewhere . between four and seven people, would aim to produce really forwardlooking papers for use by departments and Ministers as a basis for planning longer-term policy. It would probably be desirable that the papers should normally at some stage pass through the J.I.C. machine before or at the same time as they went up to the Permanent Under-Secretary who might clear them himself or use the Permanent Under-Secretary's Committee. Alternatively, the Russia Committee might be able to consider some of the papers produced by the group, though it might have to meet in more restricted session to do so. But this sort of detail can be worked out in due course.
- 10. I have shown this minute in draft to Sir I. Kirkpatrick, who would be willing to hold a meeting to discuss it.

P. Dean. P. H. Dean December 22, 1955.

All Under-Secretaries

Mr. Dean

#### Counter-subversion

I have the following reflections:

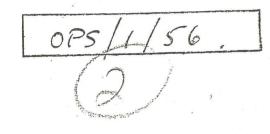
- (i) There are two quite separate problems, as indeed Sir Norman Brook recognises, namely operations in the Colonies on the one hand and operations in foreign territories on the other.
- (ii) Obviously the Foreign Secretary and the Secretary of State for the Colonies must be solely responsible for what is done in foreign countries and in the Colonies respectively.
- (iii) But the point we have to consider is: who advises the Foreign Secretary and the Secretary of State for the Colonies?
- (iv) It is a material circumstance that we wish to have a finger in the Colonial pie, that is to say, we wish to be associated in the advice tendered to the Colonial Secretary.
- (v) Consequently we cannot object if others wish to do so also.
- (vi) The Chiefs of Staff have a considerable nuisance value. Moreover, they are intimately concerned with the Colonial aspect. So I think that the body which advises the Secretary of State for the Colonies must have some representation of the Chiefs of Staff.
- (vii) Mr. Dodds-Parker is persona grata with the Colonial Secretary. He also has some experience of this work. So if we wish to influence the Colonial Secretary there is much to be said for making use of him.
- (viii) In view of the very different character of the problems, I am attracted by Sir Norman Brook's proposal that in relation to counter-subversion in foreign countries we should not need to provide any inter-Departmental organisation; I should advise the Foreign Secretary to support this and, for the reasons stated in paragraph 6 of the Prime Minister's memorandum, to advocate an inter-Departmental body with Chiefs of Staff representation to advise the Colonial Secretary on the Colonial aspect.
- (ix) But the whole of this depends on funds being made available. Consequently Ministers, before they set up machinery, should satisfy themselves that funds will in fact be available. Otherwise they and the machine they create will be beating the air.

) k.

January 10, 1956.

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### <u>Sir I. Kirkpatrick</u>

I attach a note for discussion at your meeting next Tauxsday. I have sent the papers, with copies of this note, to Mr. Grey, Sir R. Barclay and Sir H. Caccia.

(P.H. DEAN)

January 13, 1956.

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hole of the proceedings?

I have drafted a record
I produce on which Mr. Dean
has Submitted.

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#### COUNTER-SUBVERSION

There are three questions to be considered:

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- (a) The Prime Minister's Cabinet Memorandum on Counter-subversion.
- (b) Organisation within the Foreign Office.
- (c) Finance.

#### The Prime Minister's proposals

2. The Prime Minister's proposals about counter-subversion are acceptable to the Foreign Office, with the proviso that the body which advises the Secretary of State for the Colonies in these matters should have some representation of the Chiefs of Staff.

#### Organisation within the Foreign Office

- 3. The organisation proposed is described in Mr. Dean's minute of December 22: a Political Intelligence Group under the Chairmanship of the Head of P.U.S.D. which would attempt to forecast Communist moves and where possible to suggest means of countering them in advance.
- 4. The Intelligence papers produced by this group might be passed first to the J.I.C. and might then go, with any J.I.C. comments, to a small committee of Under-Secretaries (to include Mr. Dodds-Parker, Mr. Dean, Mr. Grey, the Under-Secretary directly concerned, Mr. Williams and a representative of our friends) to which the Political Intelligence Group's suggestions for countermeasures should go directly.
- 5. The Committee of Under-Secretaries might also co-ordinate the advice to be given by the Foreign Office about counter-subversion in the Colonies.
- 6. It is for consideration whether we should also abolish the present A.C.(0) Committee and invite a representative of the Chiefs of Staff to attend the small Foreign Office Committee as required.

#### Finance

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- 7. This problem is considered in the attached minutes. It has two aspects: the need for more money, and the need for greater flexibility in the use of funds available on the Open Vote. It would probably be convenient if both these problems could be considered by Ministers at the same time as the Prime Minister's minute on counter-subversion.
- 8. The greatest immediate need for funds is on the Foreign Office Information Vote but by the very nature of Communist subversion we are likely to be faced with unforeseen requirements and opportunities in the course of any financial year. There is no hope of obtaining funds for unspecified "cold war" purposes on any Open Vote. Ministers might be asked to consider instructing the Treasury to allow provision in the votes of the Foreign Office and certain other Departments (e.g. the Ministry of Defence, Ministry of Labour and Home Office) of sums for such specified

purposes as the training of foreigners, without enquiring too closely in the course of the estimates procedure into such questions as which countries the trainees would come from, exactly what they were to be trained in, and so on.

9. Even if Ministers agreed to this, it would probably be too late to get any such provision in the Foreign Office estimates for 1956/57, and certainly too late to persuade other Departments to adopt this course. It would nevertheless be valuable to get the idea, or some variant of it more acceptable to the Treasury, accepted well in advance of the 1957/58 estimates season; meanwhile the only way of meeting unforeseen requirements in 1956/57 seems to be to make use of Secret funds for unforeseen "cold war" requirements, even though strictly speaking most of these fall more properly on the Open Votes.

P.Den.

(P. Dean) January 13, 1956.

Sir I. Kirkpatrick, copied b. — Sir H. Caccia Sir R. Barclay Joh Sinks

I do not think it is any good trying to get M: Shuckburgh's views at the moment. The paper has now been typed in final form, but if you want to amend it please do so and treat it as a draft. We can get it retyped if necessary.

(P. Dean) January 3, 1956.

Mr. W.D. Allen
Mr. P. Grey

Jobo not wish to regard my amendments.

But it is worth noting that were the expecially \$12,350,000 information budget did not make trushing provision for increased effort in S.E. ania, which all our Representative on the shot have been verying as of the highest infortance for years heart.

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OPS/1/56

TOP SECRET

# SIR I. KIRKPATRICK

Since the Geneva Conference of Foreign Ministers it has become clear that we are now engaged in a bitter and long drawn out struggle with Communism/Nationalism. This struggle will take place largely in the uncommitted areas of the world, in the Middle East, South East Asia, Black Africa, Latin America, and above all the Colonies. The threat will also affect even those countries, such as Jordan, which appear to be firmly in our camp. .

P5/1/56.

- must be both adequate and flexible. But as the last Chancellor of the Exchequer set out clearly to the Cabinet in November, our general financial position does not allow us to undertake and flexible and flexible. But as the last Chancellor of the Exchequer set out clearly to the Cabinet in November, our general financial position does not allow us to undertake and flexible. national bankruptcy.
  - 3. The amounts of money required are, when compared say with the Defence Vote, small and not all of them need involve spending foreign currency. But if we are to make the best use of our resources, we must be able swiftly to adapt our pattern to meet changes in the threat and to seize available opportunities. Under the present system of Treasury control of departmental spending, plans for taking such opportunities are too often frustrated. Sometimes this is inevitable, for sheer lack of funds: sometimes it is an effect of the rigidity of our machinery and, I fear, of a non-possumus attitude in the responsible Departments which results from the immense difficulty of securing financial approval for new projects or for urgent needs for which no Vote provision has been, or could have been, made. Sometimes it is a result of approval being secured, after lengthy discussion, too late. Very often these opportunities could have been accepted at a trivial cost of a few thousand, even a few hundred, pounds; but the money is not readily available and they are lost. The resultant damage may be irreparable, or it may be possible partly to redress it only with great difficulty and at an infinitely greater cost; the timely expenditure of thousands in British Guiana, for example, might have saved us a military expenditure of millions in a current effort of which the outcome is still uncertain. This and Cyprus are the worst examples, but the problem arises in foreign territories, e.g. the Middle East now and South East Asia which is discussed in Sir R. Scott's important letter to Mr. Allen - copy attached.
  - 4. I suggest that it might therefore be appropriate to bring the whole problem of resources for the "cold war" and flexibility of financial control before the Defence Committee, especially since the shift in emphasis from the risk of military hostilities to the certainty of prolonged "cold war" should surely entail some shift in the allocation of financial resources.
  - It is easier to point to the deficiencies of the present system than to suggest a solution which would be acceptable to the Treasury and to Parliament. But it seems to me that one method might be to obtain on the Foreign Office Vote (and probably also on the Colonial Office and Ministry of Defence Votes) a sum of money not allocated in advance to any specific purpose, to be

Flag A

committed on the personal authority of the Secretary of State no would consult, or at least inform, the Chancellor) to urposes specifically connected with the "cold war". Its use would have to be limited to emergency needs, and we should have to take care not to use it to start new projects requiring continued expenditure over a period of years unless we were prepared in the future to carry these projects in our normal estimates, in the last resort at the expense of something else. Otherwise the Treasury, who would certainly dislike the idea anyway, would refuse to look at it.

- If there is anything in this idea we should have to work out a figure (or if the Ministry of Defence and the Colonial Office are included, three figures). It would be no good putting this figure very high because the Chancellor of the Exchequer would never agree. On the other hand all experience shows that a little money spent in time goes a very long way. For instance,  $\mathcal{L}_{2}^{1}$  million or  $\mathcal{L}_{1}$  million would do a great deal, and £3 million would I believe be more than enough, at any rate to start with, and could include the increase on the information side which is discussed below. Compared with the £1,600 million odd at which the Defence Budget now stands and which is almost exclusively aimed at fighting global war which is unlikely to come about for some considerable time if at all, the expenditure which we would need would be infinitesimal. As the Chiefs of Staff are so keen on fighting the "cold war" they might perhaps be invited to give up £5 million on the Defence Budget to help in the common cause.
- 7. If the above scheme is not feasible we should try to think out some other. At present I cannot think of anything very useful. The Americans do a great deal by subsidising such institutions as the Carnegie Trust which has given valuable help to the Asia Foundation. But I do not think we can make much progress along those lines here.
- 8. I suggest that for the moment we need not take account of the Secret Vote expenditure. The great need at present is for entirely overt "cold war" operations, such as information, economic aid, visits, training, etc. The covert agencies have also a part to play, but I think that for the moment their finances are adequate and in any case much more flexibility is possible in the use of covert funds than for ordinary overt money.
- 9. I suggest that the Defence Committee should also be seized of the allied problem of information expenditure: very briefly, the Overseas Departments have asked for an increase of £1,645,000, including £250,000 to meet rising costs of existing services, £195,000 for capital expenditure to much of which we are already committed, and £560,000 for a special increase in the Middle East approved by the Cabinet in November. This brings the total bid to £12,345,000. The Treasury wish to cut this down to £11,550,000, which would mean not only the abandonment of projected expansion which the Overseas Departments regard as urgently necessary, but the abandonment of existing work and a consequent loss of connexions and goodwill, which would take many years to make good even in the unlikely event of Communism not becoming active in areas where there is no obvious immediate threat.
- 10. I have discussed this problem with Mr. Allen and Mr. Grey. I have not been able to speak to Mr. Shuckburgh. This minute represents the views of Mr. Allen, Mr. Grey and myself.

11. If you think that we should at least bring this whole problem to the attention of the Defence Committee and make such proposals as we can for its solution, perhaps you would be willing to discuss this matter with us at a convenient time.

P. Den,

(P. Dean) January 3, 1956.

St. R. Banday
St. A. Cacció (rehumo Vanu)

(Mis ong reached me mfan 6)

While I sympathize with Mr. Dean's objective, I do not think there is any hope of securing agreement to a lump sum provision for unspecified "cold war" purposes on the Foreign Office or any other open vote. This would be entirely contrary to the whole system of Treasury and Parliamentary control of expenditure and I do not think that Ministers would look at it. The only way to secure funds for expenditure on purposes which we cannot specify, or at least include under some accepted heading, is by using the Secret Vote.

A substantial part of the expenditure envisaged by Mr. Dean comes under the general heading of Information (i.e. including British Council expenditure). has already been before Ministers as a result of the recommendations of the Oil Committee for more expenditure in the Middle East. I suggest that our aim here should be to secure Cabinet approval for the thesis that the extra money needed for expansion in the Middle East should not be found by closing down elsewhere as suggested by the Treasury. We can undertake to economise wherever we can (and in the light of the Inspectors' recommendations we hope to save quite a respectable amount in the field of culture in Germany without sacrificing anything vital) but to say that all the new money now wanted for the Middle East must be found by savings elsewhere is surely unrealistic. For the rest, I think we can only hope to cover other "cold war" items on the open vote by obtaining Treasury approval for their inclusion in the estimates in the usual way. It might perhaps help; however, if the matter could be raised at the Defence Committee and if the Chancellor could be induced to agree that his officials should look sympathetically at requests for funds required for these purposes within some specified limit. Treasury officials were, I think, quite helpful over the non-Information side of the Oil Committee's recommendations and they can move quickly enough when given the necessary directive.

I would like to suggest that we should not be too generous in taking on the Foreign Office Vote provision for expenditure on items such as training in

counter-subversion, which are not really Fereign Office business. Any activities which are primarily the responsibility of the Service Departments or M.I.5. or the Colonial Office should be charged accordingly.

R.E. Barclay January 7, 1956.

Mrsaule

This is an old problem.

am ready t discuss it.

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# Hexibility of expenditure for cold war purposes.

named a death, in the form of a minute from yourself to the Chief Clerk, on the lines we have discussed.

I think most of the points have been worked in, but I could not fit the part about the Information vote (which is really a separate question) into the sequence of the argument, and have but it in at the end. It looks rather clumpy there, but would have been positively distracting anywhere else.

P.h. Carter 2/1/56.

Mr. Degre.

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7-6. Delen P. Buz & M. Shuck-hugh.

P. Dean 3, \$1

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I attach a record of a meeting held on January 17 by Sir Ivone Kirkpatrick to consider arrangements for countering subversion in territories for which the Foreign Office is responsible.

You will see that the first step is to make as soon as possible a study of the available evidence of Communist/extreme nationalist subversive intentions and to forecast where, when and in what form the threat is likely to arise.

I have therefore asked Mr. McDermott to initiate action and I would be very grateful if you would ask the heads of departments under your supervision to give him the necessary help to form the working party who will make this study.

I am sending you some extra copies of this minute for you to pass to the Heads of Department which you superintend.

(P. H. Dean) January 19, 1956

Mr. Dodds Parker

Hr. Ward

Mr. Speaight

Sir G. Harrison

Mr. Allen

Mr. Shuckburgh

Mr. Grey

Mr. Wright

Mr. Williams

Mr. Henniker-Major

Mr. McDermott

M.a.D. Wilson.

#### RECORD OF MEETING

Sir I. Kirkpatrick held a meeting on January 17 to consider arrangements for countering subversion. Present:

Sir H. Caccia

Mr. J. G. Ward

Mr. P. Dean

Mr. P. F. Grey

Mr. M. S. Williams

Mr. J. P. E. C. Henniker-Major

Mr. P. L. Carter

The following conclusions were reached:

#### A. Collation of Intelligence in the Foreign Office

- 1. Especially in view of the openly stated Soviet intention to go in for "competitive co-existence", there is a need for the collation in the Foreign Office of all kinds of evidence bearing on Communist/extreme nationalist political intentions in order to roresee and ir possible anticipate their plans.
- 2. There is a lack of digested and forward-looking reports from Heads of Missions generally, on which plans for the future could be based. Even where such reports are received, circulation is uncertain and patchy.
- 3. As a first step, a working party should be formed at about first secretary level drawn from each Department or group of Departments concerned, with representatives of our friends and J.I.B. and under the chairmanship of the Head of P.U.S.D., to make a study of the available evidence and attempt to forecast where, when and in what form threats of Communist subversion (or of other subversion which the Communists might exploit) are likely to arise in foreign countries; and to recommend what the scale of counter-action should be. The results of this study would be coordinated with the J.I.O.

#### B. Arrangements in the Foreign Office for counter-action

- 4. The Secretary of State will need advice from the Office, depending upon the outcome of the study under A.3 above, on what counter-action should be undertaken.
- 5. This advice should be given, through the Permanent Under-Secretary, by a group of Under-Secretaries, including Mr. Dodds-Parker, Mr. Dean, Mr. Grey, Mr. Wright, the Under-Secretary for the area (or areas) directly concerned, Mr. Williams and a representative of our friends. This group should meet as soon as sufficient material has been collected under A. above.



#### C. Financial resources

- 6. In view of the economic position of the country, resources will not be available for counter-measures in every foreign country where a threat is foreseen. There will also be a call on available resources for dealing with threats of subversion in Colonial and Commonwealth territories. It will be the task of the group under B. above to recommend priorities for the use of resources, with due regard to the interests of the U.K. in the territory concerned, American counter-subversive activities, etc.
- 7. Part of the financial difficulty arises from the rigidity of the estimating procedure, and arises mainly in connexion with Open Vote expenditure. When priorities for counter-subversive action are recommended, it will be necessary to consider what can be done to make available sufficient Open Vote funds to deal with such future requirements as are reasonably foreseeable.

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OP5 /

Summary of recommendations on Prime Minister's Memorandum on Counter-Subversion

#### Principles

We should agree with the principles enunciate paragraphs 1 and 2 of the Prime Minister's paper. We should agree with the principles enunciated in

Policy

We should agree with paragraph 3 of the Prime Minister's paper, subject to the following comments: -

(a) 3(i): We should nevertheless continue to study the exploitable weaknesses: if they have trouble at home, they are less likely to make it abroad.

(b) 3(ii): The principle that no clandestine activity should ever be undertaken in any self-governing Commonwealth country of

Commonwealth country should be reviewed (cf. 6(i)).

#### 3. Organisation

- (a) We should strengly support the proposed abolition of the A.C.(0) Committee, and say that action is already being taken on the Prime Minister's suggestion (paragraph 5) for new machinery within the Foreign Service.
- (b) We should also support the Prime Minister's proposal for a small body of officials to advise the Colonial Policy Committee in these matters, but we think that the Chiefs of Staff should be represented on this body.

#### Clandestine activities in the Colonies

- (a) We should try to ensure that the Colonial Secretary's agreement in principle is not stultified by the inexperience and reluctance of his officials at home and abroad.
  - (b) We should assure Ministers that
    - (i) the problem of demarcation between our friends and the Security Service, given a decision on policy and the main lines of organisation, is being solved, and
    - suitable arrangements for the organisation, (ii) functions and staffing, cover etc. for antisubversive activities on the ground can be worked out by the small group suggested at the end of the Prime Minister's paper.

#### Financial resources

We expect no difficulty in 1956/57 over funds for genuinely clandestine activities; but there is a lack of flexibility in our arrangements for financing semi-overt anti-subversive measures which could be overcome if Ministers would authorise more latitude in the estimating (not the accounting) process to cover a comparatively small sum of money annually.

This is an important but complicated problem. Mr. Dean has put his recommendations, with which I agree, on the attached sheet. You may find it more convenient not to read the seven p.4 page submission underneath, but to have a small Office meeting at which the points could be discussed.

The Chiefs of Staff are making a case of the whole thing, but in my experience they rely on hearsay and do not always know what they are talking about. For example, they constantly allege that the Foreign Office block all proposals for action against the Communists. This they are told by some of their low-level representatives. But they do not know from their own experience whether this is in fact the case; and still less do they know exactly what schemes are put forward and what is the Foreign Office view on each of them. Consequently there are two problems to face: first, what should we do within our resources, financial and manpower, in countering Communism. Secondly, how do we best carry the Chiefs of Staff with us.

I / Qui hpatrick

February 13, 1956.

Mr. Dodds-Parker Secretary of State

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Meety helo. Now see p. 9. Tis, 7 thur a meety - m

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OPS/1/56
TOP SECRET



FOREIGN OFFICE, 8.W.1. March 9, 1956.

OPS/1/56.

p-10

As you may already know, it was decided by Ministers on February 24 (8/50/96/4/1st Meeting) that the Official Committee on Communium (Overseas) should be disbanded. I am writing as its former Chairman to thank you for the part you have taken in its work, and to tell you how the outstanding items of the Committee's business will be dealt with under the new arrangements which have been made for the supervision of clandestine anti-communist activities in the future.

- 2. Activities of this kind in foreign countries will be dealt with in the Foreign Office by new machinery, including a Committee of Under-Secretaries to whose meetings Major-General W.G. Stirling of the Ministry of Defence will be invited. The Overseas Planning Section, which will now become a purely Foreign Office body, will be given new duties in this connexion. The inter-departmental discussions over which the Head of C.P.S. presided (i.e. the Economic Sub-Committee of the AC(O) Committee and the Working Group on South-East Asia) are discontinued as such.
- 3. Counter-subversion in the Colonies will be dealt with by a new inter-departmental Committee under the Chairmanship of the Secretary of the Cabinet, on which the Chiefs of Staff will be represented by Major-General Stirling and which will work to the Colonial Policy Committee.
- 4. The outstanding AC(0) matters concerning Locland and the Faroes will be dealt with by the new Foreign Office machinery, and Colonial matters (Communist moves in Africa and the question of warning Colonial Governors of the apparent intentions of the Russians) will fall to Sir Norman Brook's Committee.
- 5. I am addressing this letter to the members of the late AC(O) Committee and to those who represented the Colonial Office, Commonwealth Relations Office and M.I.5 at its meetings. I am sending a copy to the Secretariat to whom, you will no doubt agree, our especial thanks are due.

(P.H. Dean)

Sir Harold Parker, M.C.B., M.B.R., M.C., Ministry of Defence, D.E.1.

Despotched, 013

ESCRET (OPS/1/56)



Harch 28, 1956.

OPS/1/56

As you may have noticed from the minutes (8.50/96/4/1st meeting) of the meeting of Ministers held on Tehrusry 24 to consider the Prime Hinister's paper of December 14, 1955, on counter-surversion, I have been made Chairman of a Foreign Office Committee set up to consider how to counter Communist and other subversion in foreign countries, and to make recommendations to the Secretary of State. The Prime Elmister leid particular stress on the importance of counter-subversive measures in comparatively backward countries. It has become clear to me that covert propaganda activities of the kind in which the Foreign Office Information Research Department specialises can play a useful part in such places. The effect of I.F.D. activities in foreign countries would be greatly increased if they were also carried out in Colonial territories, and I am writing to draw your attention to this idea and to suggest that you may like to consider it. I am told that I.B.D. material is already distributed in Malaya and Migeria and there may be other territories where we would also help you.

/for instance

Lord Lloyd, M.B.N., Colonial Office.

B. U. 22/1

P.H. DEAN, ESQ., C.M.G.

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or the need to take this type of action.

This is all very much as I hoped it would be and Norm Brook is also delighted. I hope that it will mean that o counter-subversion will be much better co-ordinated and di only the Ministers primarily responsible can effectively operate in this field, and backseat driving and exhortation help.

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for instance by providing deseging information about Communict "front" organizations which are showing signs of increased activity. I understand that there may appear to be local dif iculties in some colonies, but I believe those might be overcome if they were examined.

You may acchang think it sowromists for your representative on in Franco Brank's Committee, which was not up of the ease time or mide to fulfil similar functions in regard to Colomial territories, to initiate a disouratem of the possibility of using I.P.D. meterial is the Colonies. This wishe he down in convexion with the quantions of Comments to myes in Africa and of vertiling Covernors of the apparent intentions of the Tueslans, which they made close at the recent Kith Parts Concress in Moncow. These two of the recent XIII Party Congress in Monogr. questions were inh wited from the late A.C. (0) Committee, which the two new countities on counter-midwaysion have. snoceded, and I have the impression from A.C.(0) papers that there in listle time to less. It some rest landemos from the papers on Communicatin the Colonies which were regularly circulated to the A.G.(C) Committee, that Communist literature is being sent in considerable quantities to a number of Colonies; that colonial students in this country are subjected to intensive Communicat propaganda and scaetimes secept lavitations to Iron Gurtain farfitrion: to tedam o to team on test ban testamo Communists who are retire in certain colonies, including Higeria, the Gold Coast and British Guiena. Horover. as the Colonies sowmen independence they will inevitably because were exposed to contact with Communist countries and organisations, and I engised that if means can be devised of derrying due duitable ordehylectic messures of a. we may eave ourcelves auch trouble and expense later on.

(sgd.) Douglas Dodds-Parker

(A. D. DODDS-PARKER)

18/4

P.H. DEAN, ESQ., C.M.G.

FOREIGN OFFICE. S. W.

May 17, 1956.

BY BAG

OPS /1/56

My dear Ambassador/Minister.

CIRCULAR LETTER: OPS/1/56

pps. 25,26,27

In my letter OFS/1/56 of May 16 (not to all) I gave general guidance on the necessity for earlier and more coordinated reporting of signs of Communist or other subversive activity.

- This letter deals with the complementary question of increasing our counter-subversive activities. It is addressed to certain selected posts, on the basis described below.
- We have decided. in view of the new type of threat, that counter-subversion, i.e. clandestine activities whether by propaganda or by special operations, will have an increasing part to play in support of foreign policy. We have not the resources for large-scale covert activity everywhere, any more than in the overt field we can afford to outbid every offer of economic assistance which the Russians may choose to make; if we adopted such a policy, Communist offers might well be made simply in order to induce us to accept commitments which would overstrain our economy and lead to disaster at home. We must therefore, both in the overt and covert fields, concentrate on the things which really matter, with due regard to the activities of our allies.
- We have accordingly tried to draw up a broad list of priorities for such action, and we have reached the following conclusions. Action is most urgently required in the Middle East and South-East Asia. A serious threat to Africa is being prepared and must be forestalled. While Europe remains the most important area of all, such action is unlikely to be profitable there except in the Satellites and possibly in one or two countries such as Iceland. While the threat to Latin America must not be overlooked, we must leave the main effort there to the Americans.
- A Committee under the Chairmanship of the Parliamentary Under-Secretary of State, Mr. Dodds-Parker, has been set up to consider and recommend where our resources for countersubversion should be applied and to supervise the activities in this field, whether they are directly anti-Communist or are aimed at other, e.g. extreme nationalist, forms of subversion which the Communists are likely to exploit. The Overseas Planning Section of the Permanent Under-Secretary's department, which is the section of the Office most closely concerned with clandestine operations (apart from covert propaganda, whether directly anti-Communist or not, which is the concern of the Information Research Department), will act as the secretariat of the new Committee.
- Here again, Her Majesty's Representatives are in the best position to suggest ways of countering dangerous activities and of reinforcing the influence of those well-disposed towards us and their ability to resist hostile subversive and you should not hesitate to put forward such activities:

Her Majesty's Representative

/suggestions,

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measures or for ways in which the policies of Her Majesty's Government might be furthered by clandestine means. Even if you can only indicate an objective for covert operations, and if you, and where applicable our friends' representative (who is being informed of the gist of these instructions and whom you should consult), can suggest no precise means of attaining it, you should nevertheless report; we will then see whether anything can be devised in London. Even in cases where counteraction is not possible by ourselves owing to lack of resources it may still be possible to do something in consultation with our allies, e.g. the Americans.

- 7. As regards Soviet-Sino bloc countries, I should welcome from Her Majesty's Representatives concerned suggestions designed to make life difficult for the Governments in question. We do not at present intend to attempt any large-scale operations of any kind within the Sino-Soviet bloc, but do not exclude minor operations designed to embarrass Communist governments and keep alive a spirit of opposition to them as well as to foster rivalry and ill-feeling between the governments. Communist "front" organisations are one of our principal targets.
- 8. Reports on signs of subversive activity, and suggestions for overt anti-Communist measures, should be made by letter addressed to the Under-Secretary concerned or by despatch in the usual way. Suggestions for covert operations should be addressed to Mr. M. S. Williams, and for clandestine propaganda activities to Mr. P. F. Grey.
- 9. I would add the general comment that our friends' activities can only support and supplement, and cannot replace, our use of diplomatic and economic methods as the main instrument of foreign policy; and the present instructions do not mean that there is to be any change in the ancillary status of covert operations or in the position of our friends' representatives as defined in the enclosure to Sir William Strang's Top Secret and Personal letter of January 19, 1953. Nor do these instructions imply any intention to favour the employment of underhand methods for their own sake, without regard to the risks and consequences of discovery.
- 10. You should show this letter to those senior members of your staff who you think should see it, and impress upon them both its importance as a development in the policy of Her Majesty's Government and its particular secret nature. It should be brought up for each new Head of Mission to see on arrival and such other senior Foreign Service officers as Heads of Missions think fit. You should also, as appropriate, alert Consular officers under your jurisdiction, to keep you as fully informed as possible of Communist and other subversive manifestations in their areas.

Yours ever,

I. KIRKPATRICK.

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Original on 003/1/56. Spane
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(025/4/56)

March 26, 1956.

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As you say have noticed from the minutes (5,50/95/4/tet mosting) of the mosting of Hinisters held on Tearusty 24 to consider the Prime Minister's paper of Descaber 14, 1955, on counter-ouversion, I have been made Chalman of a Poreign Office Countates set up to oppoider how to counter Journalet and other subversion in fereign countries, and to make recommendations to the Secretary of State. Prime Minister leid particular stress on the importance of counter-subversive measures in comperatively backward It has become olear to me that covert countries. propagands solivities of the kind in which the Portion Office Information Research Department specialises out play a useful part in such places. The effect of I.E.D. socivities is foreign countries would be greatly increased if they were also carried out in Colonial tervitories, and I am writing to drew your attention to this idea and to suggest that you may like to consider it. I on told that I.R.D. material is slready distributed in Malaya and Migaria and there may be other territories where we mould also help you.

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Lord Lloyd, M.B.E., Colonial Office. Serather on ops/1564.

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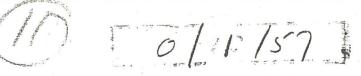
for instance by providing demaging information about Communist "front" organisations which are showing signs of increased activity. I understand that there may appear to be local difficulties in some colonies, but I believe these might be overcome if they were examined.

You may perhaps think it appropriate for your representative on Sir Forman Brock's Committee, which was set up at the same time or mine to fulfil similar functions in regard to Colonial territories, to initiate a discussion of the possibility of using I.R.D. material in the Colonies. This might be done in connexion with the questions of Communist moves in Africa and of versing Governors of the apparent intentions of the Russiane, which they made clear et the recent IXth Party Congress in Moscow. These two questions were inherited from the late A.C. (0) Committee. which the two new committees on counter-embrareion have succeeded, and I have the impression from A.G.(C) papers that there is little time tollose. It seems, for instance, from the papers on Communism in the Colonies which were regularly circulated to the A.G.(0) Committee, that Communist literature is being sent in considerable quantities to a number of Colonies; that colonial students in this country are subjected to intensive Communist propasande and cometimes accept invitations to Iron Ourtain countries; and that we know of a number of individual Communists who are setive in certain colonies, including Higeria, the Gold Coast and British Guiene. Moreover, as the Colonies approach independence they will inevitably become more exposed to contact with Communist countries and organisations, and I suggest that if means can be devised of carrying out suitable prophylectic measures now, we may save ourselves much trouble and expense later on.

(sgd.) Douglas Dodds-Parker

(A. D. DODDS-PARKER)

P SECRET



# The Russia Committee and the Overseas Planning Committee List MICG 165 / 57.

During the discussions about the reorganisation of intelligence machinery in the Foreign Office, the proposal was made that the Russia and Overseas Planning Committees might be merged into a single Political Intelligence Committee. This memorandum gives a short history of both Committees and set out certain considerations which should be taken into account when a decision is taken on their future.

- 2. The Russia Committee was set up in 1947. Its job was to collate information about communism from all sources, including the most secret, in order to bring home to Ministers and selected Government Departments the true nature of the menace. Although it was a Foreign Office Committee, it included representatives of the Ministry of Defence, the J.I.B., the Colonial Office and Commonwealth Relations Office, as well as of our friends.
  - 3. The Committee was empowered to recommend counter-measures, and so inevitably became concerned with long-term and general questions of foreign policy. When this became apparent, it was decided that such questions required consideration, but that the Russia Committee was the wrong body to give it to them. Consequently, early in 1949, the Permanent Under-Secretary's Committee was established to do just this. The Russia Committee, however, remained entitled to recommend immediate counter-measures against communism.
  - 4. Later in the same year it was decided to set up an interdepartmental Cabinet Committee to keep the communist threat everywhere (including the U.K.) under review and to make proposals for dealing with it. This was the Anti-Communism or "C" Committee, of which a senior Foreign Office official was Chairman. It later split into the Anti-Communism (Home) and Anti-Communism (Overseas) Committees.
  - 5. The birth of this Committee necessitated a review of the functions of the Russia Committee. In 1950 it was decided that it should meet once a month, instead of once a fortnight, and produce interpretations of the general trends of Chinese as well as of Soviet policy rather than record details of communist subversion. It no longer produced recommendations for action, though its terms of the ference, revised as late as 1952, still entitled it to do so.
  - 6. The present function of the Committee is to produce a monthly paper on Trends of Communist Policy, which is summarised as an Intel, and occasional specialised papers on Sino-Soviet bloc affairs. These contain very little secret material. It now includes representatives of the Board of Trade and B.B.C., and is serviced by Northern and Far Eastern Departments.
  - 7. The Permanent Under-Secretary's Committee, after producing a number of papers, became less and less active; but it has not formally been dissolved.
  - 8. Of the two Anti-Communism Committees, A.C.(Home) continues to exist, while A.C.(Overseas) was abolished last year. The Cabinet agreed that it had not been able to assess the joint effects of overt as well as of covert aspects of policy and that countersubversion in foreign countries should be the sole responsibility of the Foreign Secretary. Counter-subversion in the Colonies was made the responsibility of an official interdepartmental committee,

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and that in foreign countries was made the responsibility of the Overseas Planning Committee in the Foreign Office, which had been specially set up for the purpose.

9. The Chairman of the O.P.C. is a Joint Parliamentary Under-Secretary in the Foreign Office. It is composed of Foreign Office Under-Secretaries, the Head of P.U.S.D., and of representatives of our friends, the Ministry of Defence, J.I.B., the Colonial Office, the Commonwealth Relations Office and of the Security Service. It meets every two or three months to consider reports by the Political Intelligence Group, a lower-level Foreign Office body under the chairmanship of the Head of P.U.S.D., which reflects, in its membership, the composition of the O.P.C.

10. The terms of reference of these two Committees are to attempt to forecast communist and extreme nationalist subversive aims in any part of the world and to recommend counter-measures. The tendency has been to interpret the trends of our enemies' plans for subversion fairly generally and to produce recommendations that are "counter-subversive" only in the broadest sense: like the Russia Committee in the past, the O.P.C. and P.I.G. have been unable to avoid general foreign policy questions.

- 11. The co-existence of the Russia Committee and the O.P.C. involves a duplication of work. The Russia Committee records developments in communist policy towards, and relations with, areas outside the Sino-Soviet bloc and the O.P.C. finds it necessary to note developments within the bloc as a background to its discussions and recommendations about communism elsewhere, particularly in Western Europe. At the same time the O.P.C. is virtually precluded by the existence of the Russia Committee from examining how we might promote subversive activity within the bloc.
- 12. For these reasons among others, it has been suggested that both Committees should merge into a single "Political Intelligence Committee". In theory this might be desirable, but there are a number of practical difficulties which would have to be solved before a union between the two bodies would be possible. In the matter of rank, the composition of the Foreign Office element in the Russia Committee is "vertical"; in the O.P.C. it is "horizontal". The Russia Committee is expected to produce a not so secret Trends paper once a month; the O.P.C. makes top secret reports to the Secretary of State once every two or three months.
- 13. A structural amalgamation might require the functions of either or both bodies to be modified, and this would in turn require consultation with the other Departments represented on them, in particular with the Ministry of Defence. This requirement would not be a formal obligation because neither Committee, though interdepartmental, is under Cabinet auspices. It would be wise, however, to discuss with and, so far as possible, to obtain the agreement of all concerned to any changes proposed.

FOREIGN OFFICE, S.W.1. July 18, 1957.

Distribution:

Sir F. Hoyer-Millar Sir W. Hayter Sir P. Dean Mr. W.D. Allen Sir P. Gore-Booth Mr. H. Beeley Mr. A.D.M. Ross Lord Hoc Mr. R.W.J. Hooper
Miss V. Conolly for
Mr. D. Wilson

W CB

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# Mr. P.H. Dean

The Secretary of State minuted at the weekend about two committees which he described as "hanging fire".

- 2. First the committee on Security in the Colonies, of which the Lord Chancellor is Chairman (General Templer did a report). The Secretary of State enquires whether it ought not to meet again.
- 3. The second is the committee on counter-communist work. The Foreign Office produced a paper on this; the Secretary of State wants to know what has happened.

December 6, 1955.

The Committee on Security in the Colonies were due to meet last Friday, December 1, but as very short notice had been given General Brownjohn asked for the meeting to be postponed for one week. A meeting has now been arranged for — December 9, but this may be postponed again for a few days until General Templer returns from Jordan because it is desired that he should be present. A brief is being prepared.

The Committee on counter-communist The Secretary of work has not yet met. State's minute to the Prime Minister was dated October 19; the Colonial Secretary put in a long minute on November 15, when the Secretary of State was away, and the Minister of Defence put in a short minute The Prime Minister has on November 23. referred all the minutes to Sir N. Brook and did not wish to take any action until Sir N. Brook had had time to consider the whole matter. Sir N. Brook has been ill and away from work, but he has been in touch with the Prime Minister on this matter and is now preparing a memorandum which I have been told the Prime Minister intends to circulate shortly to the As soon as this has Ministers concerned. been done the way will be open for a ministerial meeting.

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(P. Dean)
December 6, 1955.

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The Security Services.

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# PRIME MINISTER

I have read the Foreign Secretary's minute

p.37 (P.M./55/142) of October 19th and the Colonial

p.38 Secretary's minute (P.M.(55) 82) of November 15th on subversive activities.

I fully share the views expressed by the Foreign Secretary. I appreciate, as the Colonial Secretary points out, that for a more forward and positive policy our machinery may require a little modification, although I would prefer to extend and expand the present machinery rather than add something new to it.

The important thing, I think, is to agree that we should adopt such a policy. If we do this, it should not be difficult to adapt our departmental machinery to whatever extent may be necessary.

I gather that the question of countering subversive activities in South-East Asia will be discussed at length at Sir Robert Scott's meeting next month, which Lord Carrington is attending. I hope that it will be possible to tell him before he goes that in general H.M.G. proposed to adopt a more positive policy against subversive activities.

Woord

Now see hief at p. 44.

23rd November, 1955

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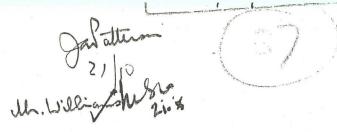
Un. Williamshir

I think we should now consider what our policy should be for countering subversive activities by Communists, extreme nationalists, and other enexies of the queen throughout the world, and whether our organisation for dealing with the problem is adequate.

2. There seems to be general agreement that the risk of global war has receded and that the Communists will seek to avoid steps which will substantially increase tension or the chances of war breaking out. On the other hand it is certain that their long term objectives have not changed and that we must be prepared to face a long period in which they will continue by subversion and other similar means to win over the free world to their system.

- others reliablish methods is not new, but as the risk of major nuclear conflict diminishes, the danger from more indirect methods will increase, particularly in such areas as the Middle ast, fouth-bast asia and the Colombal territories. In the last few weeks we have seen the beginning of a Russian offensive of this type in the Middle Fast.
- 4. The strain which this throws upon our economic





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4. The strain which this throws upon our economic and defence resources is very great. The examples of Kenya, British Guiena and Cyprus show how great

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on expenditure of noney and nonpower may be involved through failure to take adequate precautionary steps in time at a more fraction of the cost and effort ultimately involved.

- The first requirement to neet this threat is a clear and determined policy for the area or territory concerned. In support of this all means, both overt and covert, east be directed and conducted both in London and locally with understanding and vigour. This has not always been the case in the past and I done in particular whather our covert effort has, except on a few accessor, been fully used. If this effort is not to be wested it ruet be closely co-ordinated with our general policy and overt recourses, such as economic aid, information work etc. Those responsible suct also be executueed to watch out for opportunities and to subsit plans for defeating Communist. netionalist and other auti-British activities; and indeed to so further and take the initiative, wherever possible, in disrupting these activities and organisations at source. I think that this is already the policy of the Covernment, but I am mure that it is not as clearly understood as it should be either by departments here or by British authorities abroad. He should see that this
- 7. If it is agreed that this should be our policy I think we should also consider the best procedure for corrulate it out.

is no din

- the world in three sections as follows. First,

  Communicat occupied territories; secondary, british

  Colonial territories, Protectorates, etc.; and thirdly,
  intermediate territories such as a number of the

  Middle Last countries like the Yenen, the Forsian built

  States, algebrator etc., and the smaller states of

  Couth- and asia such as Luce, protectia, Indonesia and

  so on.
- O. In present discussions we set do little mout the Class category, except to below examine of the present below attended in these territories. A better understant a of our way of life. This is closely not the time for ony sejer covert anti-commission uponctions.
- 10. In the British Colonial territories I think there is probably much that can one should be done. The probably much that can one closy to colony, but our objective. I suggest, should be to identify the principal anti-meritish interests at work 1 can to although and, on the basis of proper interligence, take such counter-sclion as is required to maintain our own interests and defeat the enemy.
- Li. To accomplish this our first line of defence in these territories must be to will up wherever you ible adequate reliable intelly creavened by forces from the least population are resources so that, when the

and capable of preventing a relapse into Communism or capable.

- 12. But in many territories this is not enough. The advance to independence is swift and it is in some of the territories where independence is likely to come very soon that the strategic and economic interests of the United Kingdom are the greatest. Often it will not be possible for one reason or another to built up adequate indigenous intelligence/security forces in time, and I think we must seek some other way to maintain the essential United Kingdom interest before it is too late.
- and M.1.6. Will have to play a greater part than they have hitherto and that their efforts will have to be closely co-ordinated with those of the local british officials. I foresee a requirement in some at least of these territories for a group of persons to operate in the intelligence and counter-subversion fields solely in the interests of the United Kingdom. We can of rely for this on the local indigenous security services, even where they exist, because they are falling progressively on or the control of locally elected Ministers and parliamentary assemblies. There is therefore likely to be a clear divergence between the interests and policy of those Ministers and parliaments and those of the United Kingdom.
- 14. If we act in time I do not think that the number of territories in which these imited Electron to a literature of the control of the cont

thensolven should be numerous. But they will have to ove loyalty to the United Kingdom Government alone. This raises a mader of new problems. Among these are the relationship of these people to the Covernor; the question of an extension of the Charters of both the Courts Corvice and L.I.S. to emplo then to act directly in support of United Kingdom interests in these territories; the problem of Thrance; the question of the division of finctions more the organizations concerned and of staffing the problem of cover and ways and means of operating. I have some ideas about the way in which those problem might be tecked which I would be also to discuss with you. 15. The problem in the third clear of territories to with I have referred alone is somethic different. That I think is mainly required there is a greater exercises in Larcon and locally of the possibilities of units orvers bears to protect our position. I think that opportunities may be missed because our people on the spot may not always realise that it is Nor Majesty's Covernors's policy to maintain our position, for instance as recards the supply of oil from the Middle Rest, at almost any cost. Similarly here there is sometimes reluctance to contamplate the use of covert means until it is rether too late for the proper plaining to take place. I think therefore we disuld

advance.

16. Pinelly and most important, we shall require eroster Manisterial direction for those activities then has hithorto been the case if they are to be carried through efficiently and promptly. There is at present an Official Committee (the A.C.(0) Committee) which has hitherto had to rely ones obtaining any necessary anthority from the Minister concernd. This has not always proved ageograful, and may have led to some presiding schemes being either delayed or rejected de mont of novie bried motherablemen lift frontier Ministerial Level. I therefore amegest that the newly formed Colonial Policy Committee might undertake the respondibility for overseeing the work of the A.C.(O) Committee in the Colonial field writhet the sume Ministers micht also interest thenselves in the Comittee's work in the intermediate territories in the Middle Bast and Could-Bast asia. I think this envir eith or wird or improfitue ed videdom: Directe of work the regulate Hinisterial drive and authority; but we could leave com for later decision in the light of experience the question whether the A.C. (0) Comittee iteal is proporly constituted for the

Brown no state when the material way

17. I have sent copies of this winute to the Colonial Secretary, the Minister of Defence and the Jecretary of State for ear, and I should very much selecte an opportunity of discussing it with you at a suitable opportunity. If the result of our discussion is that there is so sothing in those ideas I think we should instruct the A.C.()) Committee, or at any rate those nembers of it most concerned, to employ and to submit recommendations for diving the earliest grantical effect to our decisions. I as convinced that the commer we get to work in some of those forwigh territories and British Colonies the cardon our tain will be and the cheaper to us in terms of anyower and sonsy.

(8gd) HAROLD MACMILLAN,

## EGYPT

While Colonel Nasser may wish not to sever altogether his ties with the West, and Egyptian policy generally suggest that he is in fact deeply committed to the Communists. There is evidence that his ambition is to create an Arabic-speaking bloc under Egyptian hegemony, and indeed a world-wide neutralist bloc, from which Western influence would be excluded. Egyptian broadcasts in Swahili to East Africa and in Arabic to French North Africa, and the relaying of Athens broadcasts to Cyprus, provide recent evidence of hostility. We doubt whether anything but evil can be expected of him.

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#### JOR DAN

We have until recently regarded Jordan as particularly closely linked with the United Kingdom, and relied heavily upon the Arab Legion. In the new situation, our own efforts to gather

and about Communist influences, must be greatly increased, and action is in hand.

2. We also <u>recommend</u> that the question of reducing the constant danger represented by the refugees in Jordan, with their susceptibility to all forms of hostile propaganda, should be given further study urgently.

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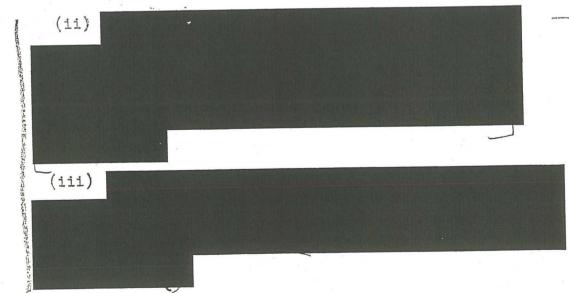
TOP SECRET

# SAUDI -ARABIA

Direct Soviet influence in Saudi Arabia is at present small, but Saudi policy greatly assists

Communist efforts in the Middle East. By wholesale bribery the Saudis are helping the Egyptians to fill the Middle East with anti-Western and neutralist propaganda and are buying the support of political figures in the Arab countries for the policies of the Egyptian-Saudi axis.

- 2. Action in Saudi Arabia depends greatly on the attitude of and co-operation with the Americans, and we recommend that
  - (i) we should continue to press them to persuade the Saudis to adopt a more reasonable policy;



# ETHIOPIA

There are signs of increased Communist interest in Ethiopia,

We

should also keep the Ethipian authorities regularly informed of Communist tactics.

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TOP SECRET

# SYRIA

Syrian foreign policy is linked with that of Egypt and Saudi Arabia, and is helpful to Russian policy in the Middle East. The trade unions and the Army are penetrated by Communists, and the increasing co-operation between the Communists and other left-wing parties, with some support in the Army, could lead to a "popular front" Government. There is a clear threat to the oil pipelines from Iraq.

#### SECRETARY OF STATE

# COUNTER-SUBVERSION

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At the Prime Minister's meeting on counter-subversion on February 24 the Secretary of State informed his colleagues that a review of this problem in foreign countries was being made, and that a special Committee under Mr. Dodds-Parker's chairmanship (which might be called the Overseas Planning Committee) had been established to ensure that full account was taken of the rôle which counter-subversion might be able to play in support of foreign policy. The review (Report of the Political Intelligence Group) was completed on March 2 and Mr. Dodds-Parker's Committee has met to consider it. A copy is attached in case the Secretary of State may wish to glance at it.

- 2. The review attempts to forecast where and how British interests are threatened by the policy and activities of the Sino-Soviet bloc and by Communism in general and extreme nationalism; to indicate weak points; to assess the threat; and to indicate an order of priorities for counter-action appropriate to our resources. Mr. Dodds-Parker's Committee agree generally with its conclusions, which are that the Middle East and South-East Asia, in that order, are the areas most immediately threatened and where counter-action both overt and covert is most urgently needed; that there is also a nascent threat to "Black" Africa which should be forestalled now, both in foreign and in Colonial and Commonwealth territories, before the threat becomes acutely dangerous; and that Europe is of greater fundamental importance than any other region and must not be neglected.
- 3. Basing ourselves upon these principles, we suggest that the action recommended on the attached sheets, each of which

Secretary of State approves this programme, it will be necessary to consult with those responsible for counteraction in the economic, commercial and industrial fields; and as soon as possible with the appropriate Americans.

4. A large proportion of the attached "country" sheets concern the Middle East, and the Secretary of State has

deals with one country, should be put in hand.

already formed views about this during his recent travels. Subject to these views, and to the overriding importance of strengthening those nations who are our friends and not neglecting those places where our influence is still strong, we suggest that particular attention should be paid to Syria, the Persian Gulf, the Sudan and Jordan, and to the region-wide task of diminishing Egyptian and Saudi influence.

Afghanistan are specifically mentioned. India, which holds a key position, will be considered in the first instance by the interdepartmental Committee set up by the Prime Minister under the chairmanship of Sir Norman Brook. The reason why no proposals are made for other countries, e.g. the States of Indo-China, is that in this region our counter-subversive activities are already more highly developed than elsewhere, and are proceeding according to plan. We have the Colombo Plan and S.E.A.T.O. as well as a successful working agreement between "C" and the the C.I.A. What is most wanted there for the present is constant vigilance and energetic prosecution of existing plans, rather than anything new.

6. Apart from our recommendations by countries we have the following more general recommendations for early action.

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# 7. Propaganda.

We think that a robuster propaganda effort is needed and we venture to suggest that Ministerial speeches are amongst the best methods. Moreover, tiresome though this may be for Ministers we believe that occasional speeches are not really enough and that constant reiteration of the chosen themes is needed to ensure that public opinion is led in the right direction. We consider that the Communists should more often be reminded of the great military and economic strength of the free world and of the full horrors of nuclear war; that Soviet colonialism in Central Asia should be attacked; and that the farcical and repugnant aspects of the 20th C.P.S.U. Congress should continue to be emphasised. We believe that the B.B.C. Russian Service should be more robust and we recommend early investigation of this question.

# 8. The Satellites.

The Communists are sensitive on this question and we recommend that we should continually make it clear that we regard the Satellite régimes as fraudulent.

#### 9. Cultural.

We recommend that the British Council should be encouraged to take a far less detached attitude to Communism and that its activities should bear a closer relation to our assessment of priorities. Extra expenditure and staff will be needed, but valuable results could be achieved. The Sudan and Indo-China should be top priorities, and the effort should be increased especially in South-East Asia (Indo-China, Indonesia and Burma in particular) and in Yugoslavia. More attention should be paid to students to ensure that they do not fall under Communist influence. We recommend that a detailed study should be carried out with a view to approaching the Chancellor for any needed financial backing.

Oral

# 10. "Front" Organisations.

At the 20th C.P.S.U. Congress the Russians reiterated their intention of making great use of "front" organisations. We must take every opportunity of exposing their subversive nature and of attacking them by overt and covert means. We recommend early action to remove the Headquarters of the World Federation of Scientific Workers from London.

# 11. Distinguished Visitors.

Visits by distinguished visitors from Britain to "uncommitted" countries have a powerful effect; and similarly invitations to representatives of those countries to visit the United Kingdom are valuable.

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# 12. Security training.

We consider that the value of training in security and anti-communist techniques cannot be overemphasised. We have Ministerial approval for expending an extra £25,000 a year on this and we must make sure that full use is made of this.

# 13. Co-operation with the Americans.

We must cooperate even more closely in all "cold war" activities. The Americans will certainly welcome a more robust attitude on our part. In some parts of the world, e.g. Antarctica, it is up to them to be more forthcoming; in e.g. Africa it is up to us. We should not scruple to ask them for financial help.

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# 14. Covert operations.

We are preparing a circular letter to Her Majesty's representatives abroad informing them that the increased use of clandestine means to further foreign policy has been approved and requesting them to bear this constantly in mind and to submit recommendations for such activities in consultation with the local representatives of our friends.

We recommend that this should be followed up by more detailed instructions as appropriate to individual posts, asking for more reports on Communist penetration and prospects and recommendations for counter-action.

# 15. The Colonial Office and the Commonwealth Relations Office.

Sir Norman Brook's Committee will be a means of persuading the Colonial Office and the Commonwealth Relations Office to co-operate fully in countering the Communist threat. In many places and particularly in Africa we shall have to co-ordinate action with this Committee.

P. Dan.

March 19, 1956.

Thanks to Mr Dean and all others concerned.

I believe that this is a very good beginning.

Paragraph 4 - Middle East

After his visit, the Secretary of State will have further directions on breaking the Egypt/Saudi axis.

Paragraph 5 - South East Asia

Much is being done, as our friends Annual Report will show.



On action in and through India, the \*Attlee Ruling of 1948 must be reconsidered.

> Das Dals ales (A. D. Dodds-Parker) March 20, 1956

Persian Gulf.

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our intelligence - particularly in Knwait a Bahemi.

1 Milysa Inich 20.3.

Dren di 7. Knihhrutnin agree en tie my tich and Comment. 49. But the machine has to be created.

So I lope we woult altempt to much at the outset; « Concentrale on the Gulf & Sudan. Manufil We could of course consult the auchassadors in the other

Courtres. I Alihoatich

# IRAQ

The retention of Iraq as a firm base is of the greatest importance to Her Majesty's Government, and we should ensure that membership of the Bagdad Pact is seen to be more profitable than Egyptian "neutralism". Although no drastic covert action is urgently needed, we recommend that:

- (i) our friends and the Security Service should be asked to pay particular attention to forces acting in Iraq against Nuri Pasha and our interests, and to put forward suggestions for counter-measures;
- (ii) we should watch carefully for any Russian attempts at economic penetration, and be quick to counter them;
- (iii) we should ask Her Majesty's Ambassador to consider whether in order to consolidate the régime the Iraqis should be advised to spend slightly more of their oil revenues on projects of immediate and obvious benefit to the people, even at the expense of their admirable longterm development plans, or to take any other measures to the same end.
- 2. Recommendations (i) and (iii) would cost us little money. (ii) might be costly to put into effect if the need arose, but in the case of Iraq we consider it essential.

# PERSIAN GULF STATES

There have been no direct Soviet overtures to the Persian There is some communist activity among -immigrants in Kuwait and we can expect it to spread to Bahrain and Qatar. Kuwait is also used as a hideout and transit centre by Levantine and Iranian communists and in particular by the Iraqi Communist Party which has formed an organised group there. Among the inhabitants of the States themselves communist influence is liable to find its best target in labour unrest and in political opposition to the paternalist rule of the Shaikhly régimes. Egyptian influence is appreciable; the "High Executive Committee" in Bahrain looking to Cairo for inspiration; and this is apt to further communist ends. Nuri has recently expressed his grave concern about these dangerous influences. There appears to be no communist or extreme nationalist activity in the Trucial States, or in Muscat and Oman.

#### 2. We recommend that

- (i)the Iraqi Communists in Kuwait should be deported to Iraq (an operation for this purpose has already been planned) and other transient Communists should also be expelled.
- (ii) We should do whatever is possible to counteract Egyptian influence, especially the influence of Egyptian teachers. Alternative sources should be sought.
- (iii) We should give firm backing to the Sheikhs in preserving law and order, and at the same time encourage them to proceed with constitutional reforms.

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(iv) Every effort should be made to ensure that the newspaper which is to start publication in Bahrain in May,
is successful.

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- (v) Consideration should be given to improving our broadcast coverage of the Persian Gulf area.
- 3. Effective action under (ii) and (v) would probably be expensive.

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## THE SUDAN

A major effort is needed to resist Communist penetration in the Sudan as it is clear that the Communists for their part are making one. They offered to establish diplomatic relations as soon as independence was announced, they are showing a great interest in trade, and they are trying to sell arms to the Sudanese. The Communists inside the country already have considerable influence. The danger of Communist subversion may not be great yet, but it is likely to increase since the Sudan would be the ideal base for a drive on "black" Africa.

# Recommendations:

- i) We should be prepared to offer arms to the Sudan at almost any price to counter Communist offers.
- (ii) We should give as much economic aid as we can to the Sudan and in particular help her to dispose of her surplus cotton. We must also try to forestall and counter any Soviet offers of economic aid or technical assistance (e.g. for the Roseires Dam).
- (iii) We should offer training courses in the U.K. for the Sudanese Police.
- (iv) We should try to increase the influence of the moderates in the Communist-dominated Sudan Workers Trades Union Federation. For instance we might suggest to the T.U.C. that they should invite a delegation to this country.
- (v) We must educate the Sudanese in the facts of international life, and make them aware of the dangers of close relationships with the Soviet Bloc. In particular we should try to dissuade

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them from exchanging missions with the Soviet Union or other Communist states.

- (vi) We should open a branch of the British Council in Khartoum.
- (vii) We should ask H.M. Ambassador for his urgent recommendations on further steps. He might be able to discuss this with Mr. Luce and other experts on the spot.
- (viii) We should consider arranging visits to the Sudan
  by prominent British personalities, and vice versa,
  which in view of the goodwill in the Sudanese
  administration and Army might pay good dividends.

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TOP SECRET

# SYRIA

Syrian foreign policy is linked with that of Egypt and Saudi Arabia, and is helpful to Russian policy in the Middle East. The trade unions and the Army are penetrated by Communists, and the increasing co-operation between the Communists and other left-wing parties, with some support in the Army, could lead to a "popular front" Government. There is a clear threat to the oil pipelines from Iraq.

# AFGHANISTAN

Geographically and economically, Afghanistan is open to Soviet penetration and the "Pushtunistan" issue offers the Russians a further field for interference. They have not failed to exploit these opportunities, and Afghanistan is slipping into the Communist camp.

We cannot recommend any immediate counter-action; but the situation must be kept under constant review with the United States, Iranian and Pakistan Governments so that no opportunity of effective counter-action is neglected.

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#### BURMA

The Russians are making a great effort to penetrate

Burma economically and there is a clear danger that this may
end in such economic dependence on the Sino-Soviet bloc
that Burmese political freedom would be endangered.

Meanwhile the Communists will continue to exploit the
neutralist tendencies of the Burmese Government.

# 2. We recommend that

- (i) we should as far as possible help the Burmese to find outlets for their rice outside the Soviet orbit, and should ask the Americans whether they are sure that their rice disposal policy is not adversely affecting the situation:
- (ii) we should discreetly remind the Burmese of the dangers of becoming economically dependent;
- (iii) we should devote more effort to strengthening existing ties between Burma and the Commonwealth; in particular the Burma-British Association in Rangoon should be supported and the activities of the British Council increased. More English teachers are required in the universities;
- (iv) we should take steps to improve the efficiency of the Burmese police and armed forces and maintain their British connexions by training courses, the supply of equipment, etc.;
- (v) leading British public figures should be encouraged to visit Burma, where the British Labour Party is held in particularly high esteem;
- (vi) we should maintain and improve our supply of information to the Indian Security Authorities about Sino-Soviet penetration in Burma.
- 3. It may be expensive to counter Soviet efforts at /economic



economic penetration, and the activities of the British Council, which are most important, cannot be increased without extra funds. The remaining recommendations could be carried out at comparatively small expense.

# INDONESIA

The Soviet bloc have so far been better able than the West to exploit the Indonesians' fierce nationalism and morbid fear of foreign interference; and the Communists have considerable internal influence, particularly in the trade union movement. The large overseas Chinese minority is coming increasingly under the influence of the Chinese Communist Embassy. The army, however, is generally of moderate outlook and is an important force in politics.

activities in Indonesia, and these should be maintained.
We recommend also that much more can and should be done
to exploit the choice by the Indonesian Government of
English as their first foreign language, and that the
British Council should be given the funds to set up a
strong organisation in the country. This has been
strongly recommended by successive Ambassadors for
some time, but has so far failed to overcome financial
objections.

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There are signs that the Russian "anti-colonial" drive is about to be directed with great force against "Black" Africa, and while neither extreme nationalism nor communism is a serious danger at present, we are likely to be faced with a serious threat within the next two years. At present very little information about subversion in foreign territories in Africa is available in the Foreign Office. It is important to remedy this lack of information, and when we have done so we should discuss subversion and countersubversion in Africa with the Americans.

# 2. We recommend that

- (i) Her Majesty's Consular establishments in Africa should be inspected with this in mind, and our officers should be instructed to submit regular and detailed reports and, where necessary, given additional staff to enable them to do so;
- (ii) our friends should be invited to make a tour of "Black" Africa as part of the above inspection;
- (iii) we should give the Colonial Office and the Commonwealth Relations Office every help in stimulating a similar awareness of the danger in Colonial and Commonwealth territories. We should keep in close touch with Sir Norman Brook's Committee and ensure that Africa is looked at as a whole and not territory by territory;
- (iv) a major effort should be made to prevent the Communist indoctrination of colonial students both at home and elsewhere:
- (v) as soon as our own minds are clearer we should seek closer co-operation with the Americans, and also as appropriate with the Belgian, French and Portuguese authorities.

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# CONTINENTAL EUROPE

Apart from Greece, where the situation is not one which can be affected by counter-subversion for the present, and Iceland on which we have made separate recommendations, the danger from internal Communist activities is greatest in Italy and in France. There is little we can do by clandestine means to influence the situation in these highly developed European democracies but we recommend that our friends should intensify their studies of,

with a view to possible disruptive manoeuvres. Such an intensification would not involve heavy expenditure.

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#### ICELAND

The Russians are devoting particular attention to Iceland, where the situation is bad and has been made worse by the fisheries dispute. There is a dangerous degree of Communist control of the trade unions, and nationalist feeling and export difficulties are being used against the presence of the U.S. base at Keflavik and to increase the economic dependence of Iceland upon the Soviet bloc. There is a danger that the general election expected in June may return a pro-Communist Government.

# 2. We recommend that:

(i) We should review urgently with the Americans what more we can do before the elections to check Communist influence.

(ii) and a Labour

Attaché should visit Iceland in the near future and frequently thereafter.

(iii)

(iv) An immediate increase in information work is important so that the Icelanders may be made aware of the dangers of Communist imperialism.

- (v) When the fisheries dispute has been settled, the visit of a Minister from the United Kingdom would be valuable in flattering Icelandic national pride.
- (vi) Exchanges of lecturers etc. and increased facilities for police training etc. in this country would be valuable.

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. None of these recommendations involves great expense, and ction on (ii) and (iii) is already in hand.

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This is an interesting minute from the Colonial Secretary and it is encouraging to see that the Colonial Office are apparently willing to consider a considerable reorganisation of the way in which our intelligence and security has been run in the Colonies recently. It is useful that they are prepared to contemplate M.I.6 and M.I.5 being called in to play a direct part in Colonial security and I think that the basis of a better system is beginning to emerge though rather slowly.

On the other hand, there are a number of points in the Colonial Secretary's minute which, if interpreted strictly, could effectively prevent much progress being made at any rate for a very long time. For instance it is suggested that M.I.6 resources in manpower and money are limited and this may prevent them playing an active part in the Colonies. For certain types of manpower this may be true, but I doubt whether there is much financial difficulty. The point is that if action is taken soon enough it costs very little. Similarly, the question of cover is not easy, but is solvable given goodwill.

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Again although it is clearly right in principle that clandestine and covert activities in a Colony must be subject to the control of the Governor, much will depend upon what is meant by "control". Many Governors on past form would in fact exercise their control so that none of these activities would take place. What is wanted is that the control should be over such matters as timing and so on which would not amount to a veto.

The point about reviewing the demarcation between M.I.5 and M.I.6 in paragraph 6 is not new. Personally I think there is much to be said for it, but I am not sure whether this is the right context in which to raise it.

There are a number of other points which should be taken

up in the Colonial Secretary's minute. The only one I need mention is the proposal to abolish the A.C.(0) Committee and replace it by another Committee under Colonial Office chairmanship. My first comment is that I think it would be much better to abolish the A.C.(0) Committee for good and all because it cuts across the proper lines of responsibility and in fact is a useless body. I am sure it will not be any better if it is replaced by a similar Committee under Colonial Office chairmanship because I do not believe that the Colonial Office have got anybody really capable of taking the chair at that sort of Committee and dealing with the problems which arise

which arise do not relate solely to Colonial territory any more than they relate/to foreign territory.

Solely

I understand from Mr. Millard at No. 10 that the Prime Minister has sent the top copy of this minute to Sir N. Brook who is ill and is not likely to be back at work for some time. The Prime Minister is also I understand unlikely to wish to have Ministerial discussions on this matter until he has had a good talk with Sir N. Brook. In the circumstances I think that the Colonial Secretary's minute should be considered carefully and at reasonable leisure, and that comments upon it should be put up not before the week beginning November 28,

with sufficient drive and energy. In any case, all the problems

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by which time the Secretary of State will have returned from Bagdad.

Perhaps Mr. Williams would consider whether it would be useful to show the Secretary of State's minute and the Colonial Secretary's minute to M.I.6 and M.I.5, or at least to their respective Chiefs on a personal basis. In many ways it would be useful provided it did not annoy them by making them think that we are dealing with their affairs without consulting them.

(P. Dean) November 17, 1955.

Mr. Carter
Mr. Williams



2. My reading of paragraph 8 of the Colonial Secretary's minute is not that he wants to abolish the A.C.(0) Committee but that he wants to set up an additional Committee on subversion in the Colonies. But this would run into trouble of the kind with which the A.C.(0) Committee is familiar, and the solution (on the assumption that the military would resist the idea of having no Official Committee at all) might be to make the Colonial Office full members of the A.C.(0) Committee, and persuade them to accept a Foreign Office Chairman.

3. If the general thesis of the Secretary of State's minute to the Prime Minister is adopted as policy, it looks as if Colonial Office relations with our friends will have to become much closer than they are at present. The Colonial Office would, I think, need to appoint somebody to a position very much like my own in the Foreign Office, and this person might be a member of O.P.S. (in the interdepartmental sense of that vague term) and take the Chair at O.P.S. discussions of colonial questions.

(P.L. Carter)

Now see brief at p. 44.

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I have read with very great interest the Foreign p.37 Secretary's minute of the 19th of October, about countering subversive activities, Communist and other, throughout the world, and I should be very glad to take part in a discussion of the subject. To prepare the way for that, may I offer some comments from the point of view of my responsibilities?

- So far as the Colonies are concerned, we must, I agree, consider not only arrangements for their security while they are Colonies, but also how best to prepare in this field for the day when they become independent, and when consequently we cease to be responsible for their internal security, but retain a considerable interest in it — and responsibility for our relations with them passes from my department to the Commonwealth Relations Office. Por that reason, I think it would be useful if the Secretary of State for Commonwealth Relations could join in our discussions.
- I am very glad to note the recognition that, so far as the Colonies are concerned, Communist subversion is not the only, and is not indeed in many cases the major, threat to security, the other chief disturbing factor being racialist nationalism. Of course Communist propaganda and intrigue draw what advantage they can from nationalism. and nationalist leaders have from time to time not been

above flirting with communism in the hope of thereby promoting their primary ambitions. But the various factors have I am sure to be kept clearly separate in our minds, as requiring different treatment, and I am glad to see this is recognised.

- I also agree that the solid foundation (given a clear and consistent general policy) of any satisfactory security system must be good intelligence and proper security forces. This aspect of the matter has, as you know, been thoroughly worked over in consequence of the creation of the Committee on Colonial Security, and a great deal of action has been taken on the lines recommended in General Templer's Report to that Committee. This will be a continuing process.
- The Foreign Secretary's minute however moes further, and raises as a matter of general policy the question whether greater use should not be made in countering subversion of whatever origin of our available resources in the field of clandestine and covert activities. my point of view there is no doctrinal objection to this, and indeed in recent months there have been Instances where the initiative to make use in British Colonial territories of M.I.6 and its expertise has come from the local authorities and been supported by the Colonial Office.

Given, however, a decision

(which I should support) that this kind of activity should not on doctrinal grounds be ruled out of court, I do not think that we can proceed other than empirically, taking Colony by Colony and problem by problem. For one thing, I understand that the manpower, and the financial resources of M.I.6 are by no means unlimited, and that of these the former is much the more serious limiting factor. For another, there are I understand always serious problems of finding suitable cover for the agents, which I should imagine are much greater in fact in British territory than they are abroad, where they can be accommodated as members of British missions. The fact that they have been able to help in

But of one thing I am very clear, and that is so long as a territory remains dependent — so long, that is, as the Governor remains responsible for security, and does not share that responsibility with local politicians, any clandestine or covert activities in his territory must of necessity be under his control and subject to his approval

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and, through him, to that of the Secretary of State for the Colonies. Methods of ensuring this have been worked out, I think to the satisfaction of all concerned, in respect of and they are a sine qua non in any other dependency. This does not mean that the Governor should or need be privy to the details of each and every operation, any more than Hinisters are here.

- 6. As between M.I.5 and M.I.6, it seems to me that this might be the occasion for a general review of the demarcation between the two organisations specifically, whether it should not cease to be geographical, as at present, and become wholly functional.
- should I think consider very carefully any particular instances where one should depart from the existing relationship with Commonwealth countries, under which the relationship is conducted by M.I.5, who do not in those countries undertake espionage activities as principals, but concentrate on liaison with the local indigenous intelligence organisations. This has operated I understand successfully not least in the case of India, where on political grounds one would have expected difficulty. The position may differ in Colonial territories arriving at the same constitutional stage and it may be that some other pattern may be required, either because the local security organisations are not efficient enough to provide us with what we need for our own interests, or because

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Lisison and collaboration. This I think can only be worked out case by case, in full consultation of course with the experts from M.I.5 and M.I.6, and with the Commonwealth Relations Office. The most important and urgent of these specific cases is I think clearly that of the Federation of Malaya.

8. Coming nearer home, I would agree with the suggestion in the 16th paragraph of the Foreign Secretary's minute that the general oversight of this matter should rest with the Colonial Policy Committee. I am however less certain of the best means of handling the matter at the official level. The Foreign Secretary suggests that for the present this task might be given to the official Committee for countering Communism Overseas (the A.C. (0) Committee). I am not sure that this is entirely appropriate on grounds either of composition or of terms of reference. That Committee is specifically concerned with countering communism, and not with countering subversion in general. If it is agreed that the problem is a wider one, then either the terms of reference of that Committee would require to be substantially broadened, or a new Committee to be set up altogether. I am inclined to favour the latter course. The A.O.(0) Committee as at present constituted contains no member of the Colonial Office (although a Colonial Office representative attends its meetings) - nor for that matter is the Commonwealth Relations Office represented in full membership. I do not think that a Committee under Foreign office chairmansh ,

comprising in addition representatives of the Chiefs of Staff and of the Ministry of Defence, together with the Head of M.I.6, is appropriate to deal with the intricate matters of Colonial policy which would undoubtedly arise under the broader concept which we are now discussing. Some of these are mentioned in paragraph 5 of the Foreign Secretary's minute. In my opinion, to the extent that an official committee is required, it should be under Colonial Office chairmanship, and include among its members representatives of the Foreign Office, the Commonwealth Relations Office, and of M.I.5 and M.I.6 as full members, leaving it for the Winistry of Defence and the Oniefs of Staff to appoint representatives to attend the Committee. as is the present practice vis-a-vis the A.O.(O) Committee in respect of the Colonial Office and some others. We should not I think allow the metaphorical expression, "cold war" to blind us to the fact that what we are considering is not war-like operations at all, but, whatever methods may be employed, operations which are essentially political.

9. I am sending copies of this minute to the Foreign Secretary, the Minister of Defence and the Secretary of State for War.

(SGD.) A. LENNOX-BOYD

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## SECRETARY OF STATE

Flag A n 43.

The provisional conclusions which the Prime Minister has reached about the Principles, Policy and Organisation of our counter subversion effort must be very welcome to the Foreign Office. The conclusions on policy are in line with the recommendations contained in the Secretary of State's Flag B p37 minute to the Prime Minister of October 19 at Flag B, but the suggestions for reshaping the organisation are even more radical than the Secretary of State had proposed, but not for that reason any the less welcome. There is no need to comment on the principles proposed by the Prime Minister (except to remark that they are far too often forgotten), but some notes on the Prime Minister's conclusions on policy and organisation follow.

# Policy

- The Prime Minister accepts the Secretary of State's view as to the extent to which it would be expedient for us to undertake counter subversion activities at the present time. There are two points which might be made in this connexion.
  - (a) It is laid down in paragraph 3(i) that we should not attempt any major campaign to counter subversion against Communist occupied countries. Presumably this is meant for general guidance only and not to indicate that there should be any relaxation of the study of the situation in Communist occupied countries with a view to detecting any possible exploitable weaknesses. Although the Communists are active outside the borders of Communist occupied countries, in many ways the best method of

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curbing these activities would be to make things uncomfortable for them at home and we should not wish to lose any practicable opportunity of doing this either by stepping up covert counter subversion activities or by open propaganda.

(b) Whenever suitable opportunities occur. There is no mention in the policy section of the policy towards Commonwealth countries. This was not mentioned in the Secretary of State's minute of October 19. but it is important. At present following an instruction by the first Attlee Government neither our friends nor Information Research Department have undertaken any new clandestine activities in Commonwealth countries since 1948 and it has been accepted that no further activities should be initiated unless the Commonwealth Governments concerned are informed and agree. In most Commonwealth countries that policy is still appropriate, but at a time when the Russians are becoming far more active in India there is a case for reviewing the present policy and for trying to secure Commonwealth Relations Office agreement in principle and subject to proper safeguards to the conduct at least of I.R.D. activities in India and probably Pakistan and Ceylon as well. It would be worth while raising this point at any meeting of Ministers.

# Organisation

The Prime Minister's proposals for reorganising the anti-subversion campaign are much more far-reaching than those proposed by the Secretary of State. The Secretary of State proposed that the A.C.(O) Committee should in general

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oversee all such activities both in foreign countries and in the Colonies, reporting in the case of the Colonies to the Colonial Policy Committee and in the case of foreign countries to the same group of Ministers. The Prime Minister proposes to abolish the A.C.(O) Committee altogether.

- In regard to foreign countries the Prime Minister says that we do not need an inter-departmental committee and proposes to place the responsibility solely on the Foreign Secretary, subject to consultation with the Prime Minister on policy as required. This decision will be extremely unwelcome to the Chiefs of Staff who have recently shown an increasing interest in this aspect of foreign policy, and who have a surprising faith in Committees for this sort of work. Prime Minister recognises that some new internal machinery may be needed within the Foreign Office to ensure that the Foreign Service as a whole will give more thought to the rôle which counter subversion can play. If the Prime Minister's proposals are agreed by Ministers, as I hope they will be, it may be wise to reassure the Chiefs of Staff that necessary machinery will be established in the Foreign Office. Subject to that the Foreign Office can unreservedly welcome the Prime Minister's proposals.
- 5. In relation to Colonial territories the Prime Minister's proposals appear to be thoroughly sensible and to call for no special comment. It would however be in many ways desirable that the Chairman of the small interdepartmental committee should be a member of the Foreign Office, rather than the Colonial Office, since the latter have generally little experience or enthusiasm for this sort of task.
- 6. When Ministers meet to discuss the Prime Minister's memorandum they will also probably wish to discuss in greater detail the situation in the Colonies and the organisation of

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counter subversion activities in Colonial territories on the basis of the Colonial Secretary's minute of Hovember 15

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- 7. The Colonial Secretary is in general agreement with the Secretary of State's suggestions. He agrees that the foundation of any satisfactory security system must be good intelligence and proper security forces. He mentions that much action has already been taken to implement the recommendations of General Templer in this field. Our information and experience is that the Colonial Office is in fact still dragging its feet and that progress towards implementing General Templer's recommendations is extremely slow. There would be every advantage in confirming yet again to the Colonial Secretary that Ministers attach the greatest importance to the speedy execution of General Templer's recommendations.
- The Colonial Secretary agrees also in principle to the use of clandestine activities to further our policy in the Colonies, but this agreement in principle is hedged in with a number of reservations, which if interpreted strictly could effectively prevent much progress being made for a long time. Colonial Office representatives at recent meetings of the Joint Intelligence Committee and of the Committee of Permanent Secretaries on Intelligence Expenditure underlined this reserved attitude. Reference is made by the Colonial Secretary to the shortage of M.I.6 resources in manpower and money, to the difficulty of cover and the necessity to place all such activities under the control of the Governor. Organisationally the problem is, obviously, difficult, but it is certainly not insoluble and more is said about it below. As regards the Governors it is of course necessary that they should have some control over clandestine activities conducted in

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territories for which they are responsible. At the same time however they, like Foreign Service missions, must be brought to realise that it is now the settled policy of Her Majesty's Government to make use where necessary of clandestine activity to further our overt policy, and that control does not mean a veto. This will be a very difficult lesson for the majority of Colonial Governors and Colonial Administrations to learn and the Colonial Secretary might usefully be invited to consider, when the time comes, sending very specific instructions on this subject to the Governors.

9. On the question of responsibility for carrying out the

new policy in the Colonies, the Colonial Secretary thinks that the occasion might be taken for a general review of the line of demarcation between M.I.5 and M.I.6. This is a complex problem and I have been discussing it and the general problem of colonial intelligence and anti-subversion measures with "C" and the Director-General of the Security Service. Before special operations can be undertaken those concerned must be in possession of the necessary data on which these activities can be based. This must largely come from secret sources. At present only the Security Service is represented on any scale in Colonial territories with Security Liaison Officers in many Colonies. In the majority of cases these officers give advice to the security forces and obtain information through them. It is however one of the functions of the Security Service to obtain secret intelligence by its own means. This is done extensively in the United Kingdom and on occasion in Colonial territories too. The Security Liaison Officers never indulge in special operations and the Security Service is not geared to do so. K.I.6 on the other hand has conducted special operations on a small scale in and could do so elsewhere if authority were given, the necessary basic intelligence

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provided and additional staff recruited. Some consideration has been given already by officials to these problems. 10. I suggest that any new organisation should probably be based on that existing at present. The Security Service should be responsible for providing the basic intelligence either through its liaison with the Special cases, through its own means and should supply the necessary briefing for M.I.6 for the conduct of any authorised special operations. This would necessitate some increase of intelligence operations by M.I.5 itself as distinct from the gathering of intelligence by local intelligence services. The extent to which this would be necessary and the areas where special operations would be required could only be decided as a result of a detailed review of the situation in each Colony as proposed in paragraph 7 of the Colonial Secretary's minute.

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December 16, 1955.

# SECRETARY OF STATE

The provisional conclusions which the Prime Minister has Flag, A OPS/1/55 p43 reached about the Principles, Policy and Organisation of our counter subversion effort must be very welcome to the Foreign The conclusions on policy are in line with the

Prime Minister of October 19. The suggestions for reshaping recommendations contained in Mr. Macmillan's minute to the the organisation are more radical than those proposed by Mr. Macmillan. There is no need to comment on the principles proposed by the Prime Minister (except to remark that they are far too often forgotten), but some notes on his conclusions on policy and organization follow.

# Policy

- The Prime Minister accepts Mr. Macmillan's view of the extent to which we should undertake counter-subversive activities at the present time. There are two points which might be made in this connexion.
  - It is laid down in paragraph 3(i) that we should not attempt any major subversive campaign against Communistoccupied countries. Presumably this is meant for general guidance only and not to indicate that there should be any relaxation of the study of the situation in those countries with a view to detecting any possible exploitable weaknesses; in many ways the best method of curbing Communist activities outside their own borders would be to make things uncomfortable for them at home, and we should not wish to lose any practicable opportunity of doing this either by stepping up covert activities or by open propaganda.
  - (b) There is no mention in the policy section of the policy towards Commonwealth countries. This was not mentioned in Mr. Macmillan's minute of October 19, but it is important.

Following an instruction by the first Attlee Government neither our friends (otherwise known as S.I.S. or M.I.6) nor Information Research Department have undertaken any new clandestine activities in the Commonwealth since 1948 and it has been accepted that none should be initiated unless the Commonwealth Governments concerned are informed and agree, In most Commonwealth countries that policy is still appropriate, but the Russians are becoming far more active in India and there is a case for reviewing the present policy at least as regards I.R.D. activities in India and probably Pakistan and Ceylon as well. It would be worth while raising this point in due course.

Organisation

3. The Prime Minister's proposals for reorganising the antisubversion campaign go further than Mr. Macmillan's. Mr.

Macmillan proposed that the A.C.(0) Committee should in general
oversee all such activities both in foreign countries and in
the Colonies, reporting in the case of the Colonies to the
Colonial Policy Committee and in the case of foreign countries
to the same group of Ministers. The Prime Minister proposes to
abolish the A.C.(0) Committee altogether.

# Whitehall machinery: foreign countries

The Prime Minister proposes to place the responsibility for counter-subversion in <u>foreign countries</u> solely on the Foreign Secretary, subject to consultation with himself as required, and says that no inter-departmental committee is required. We welcome this proposal. The A.C.(0) Committee as at present constituted cuts across the lines of Ministerial responsibility, and can in practice do no more than make recommendations to the Foreign and Colonial Offices. Nor, as the Prime Minister points out, can it secure the necessary co-ordination between overt and

covert activities. In practice it is a rather useless body and is apt to be used by the representative of the Chiefs of Staff as a method of trying to prod the Foreign Office into undertaking "more active" operations.

The Prime Minister's proposal, however, is known to be unwelcome to the Chiefs of Staff, and we may therefore expect the Minister of Defence to oppose it. But the Chiefs of Staff can in practice contribute very little (except to a limited extent by giving facilities for training) to counter-subversive activities in foreign countries, and the formulation of policy governing these activities is essentially the function of the Foreign Office. The Prime Minister recognises that new machinery may be needed within the Foreign Office to ensure that the Foreign Service as a whole will give more thought to the importance of counter-subversion. Study of this question by officials has resulted in the setting-up of an experimental organisation for this purpose. This is already working. If the Prime Minister's proposals are accepted, as I hope they will be, the Chiefs of Staff can be assured that the necessary machinery is being established in the Foreign Office, and that we recognise their legitimate interest in being kept informed in general terms of what is going on.

## Whitehall machinery: Colonies

The Prime Minister's proposals for counter-subversion in colonial territories seem thoroughly sensible, and my only comment is that, since trouble in those territories results only too often in the use of British troops, the Chiefs of Staff have an intimate concern with them and should have some representation on the body which the Prime Minister proposes should advise the Colonial Secretary on counter-subversion. Although this interdepartmental body is to be supervised by the Colonial Policy Committee, it might

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Chairman, since senior Colonial Office officials generally have little experience of or enthusiasm for such work which would, moreover, largely be done by our friends who are controlled by the Foreign Secretary.

# Counter-subversion in the Colonies

7. When Ministers meet to discuss the Prime Minister's memorandum they will also probably wish to discuss in greater detail the situation in the Colonies and the organisation of counter-subversive activities in Colonial territories on the basis of the Colonial Secretary's minute of November.

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# General Templer's recommendations

8. The Colonial Secretary is in general agreement with Mr. Macmillan's suggestions. He agrees that the foundation of any satisfactory security system must be good intelligence and proper security forces. He mentions that much action has already been taken to implement the recommendations of Mr. General Templer in this field. Our information and experience is that the Colonial Office is in fact still moving very slowly and that further progress towards implementing General Templer's recommendations is still required. There would be every advantage in confirming yet again to the Colonial Secretary that Ministers attach the greatest importance to the speedy execution of General Templer's recommendations.

# Control of clandestine activities in the Colonies

9. The Colonial Secretary agrees also in principle to the use of clandestine activities to further our policy in the Colonies, but this agreement in principle is hedged in with a number of reservations, which if interpreted strictly could effectively prevent much progress being made for a long time. Colonial Office representatives at recent

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Committee of Permanent Secretaries on Intelligence Expenditure have also maintained a reserved attitude. The Colonial Secretary refers to our friends' shortage of manpower and money, to the difficulty of cover and the necessity to place all such activities under the control of the Governor. Organisationally the problem is, obviously, difficult, but it is certainly not insoluble and more is said about it below. As for the Governors, they must of course have some control over clandestine activities conducted in their territories. but they, like Foreign Service missions, must be brought to realise that it is now the settled policy of Her Majesty's Government to make use where necessary of clandestine activity to further our evert policy, and that control does not mean a veto. This will be a very difficult lesson for the majority of Colonial Governors and Colonial Administrations to learn and the Colonial Secretary might usefully be invited to consider, when the time comes, sending very specific instructions on this subject to the Governors. The whole problem is much to the fore at present in Singapore. Responsibilities of the Security Service and our friends 10. On the question of responsibility for carrying out the new policy in the Colonies, the Colonial Secretary thinks that the occasion might be taken for a general review of the line of demarcation between the Security Service (M.I.5) and our friends. This is a complex problem and I have been discussing it and the general problem of colonial intelligence and anti-subversion measures with "C" and the Director-General of the Security Service. Special operations must be based on adequate intelligence, and this must largely come from secret sources. At present only the Security Service is represented on any scale in Colonial territories with Security Liaison Officers in many Colonies. Most of these officers give advice

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to local security forces and obtain information through them. It is however one of the functions of the Security Service to obtain secret intelligence by its own means. This is done extensively in the United Kingdom and on occasion in Colonial territories too. The Security Liaison Officers never indulge in special operations and the Security Service is not geared to do so. Cur friends on the other hand are conducting special operations on a small scale in and could do so elsewhere if authority were given, the necessary basic intelligence provided and additional staff recruited.

Consideration has been given already by officials to these problems, which, if Ministers decide on the policy and on the main lines of organisation, can be solved.

that existing at present. The Security Service should be responsible for providing the basic intelligence either through its liaison with the Special Branch of the Colonial Police Force or, in exceptional cases, through its own means and should supply the necessary briefing for any authorised special operations by our friends. This would necessitate some increase of intelligence operations by the Security Service itself as distinct from the gathering of intelligence from local intelligence services. The extent to which this would be necessary and the areas where special operations would be required could only be decided as a result of a detailed review of the situation in each Colony as proposed in paragraph 7 of the Colonial Secretary's minute.

# Financial Resources

12. Although the question of financial resources does not arise directly from the Prime Minister's paper, it is a very relevant one and some discussion of it in this context would be of value. The greatest need of funds for anti-communist

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work is on the Foreign Office Information Vote, which is being discussed in another forum, and it seems unlikely that there will be calls on the Secret Vote.in 1956/57 which cannot be met. But valuable opportunities for countersubversive work, or for assisting the counter-subversive work of friendly Governments, often arise at short notice which cannot be fitted into the heading either of Information work or of clandestine activities. Examples of such opportunities are the training of local security forces in anti-subversive techniques. or the supply of technical equipment. The difficulty is that it is impossible to foresee what form they may take and, therefore, to provide for them through the normal estimating machinery. The sums involved are not large, but the technical budgeting problem is an obstinate one. A possible solution might be for Ministers to decide that the Treasury should be directed to allow on the Votes of the Departments concerned a sum under some such general heading as "training of foreign experts" for which the Department would account in the ordinary way but which it would not be called upon to justify in detail and in advance during the estimating process. The departments concerned are the Foreign Office (for foreign territories), the Colonial Office (for the Colonies) and the Ministry of Defence. A sum of £25,000 spread between these three departments would probably cover the requirement and would in any case be of very great value.

P.Den.

February 11, 1956.

See p. 9.

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COUNTER-SUBVERSION.

Mr. Dodds-Parker's committee on counter-subversion (the Overseas Planning Committee) decided on February 24 to put forward to the Secretary of State certain recommendations arising from the report of Mr. McDermott's Political Intelligence Group, of which you have a copy.

2. The Secretary of State approved the report in general. In particular he endorsed the following recommendations (not arranged in order of priority), on which early action is now required, and no doubt you will follow up his decisions as appropriate.

#### GENERAL Satellites

3. We should continually make it clear that we regard their regimes as fraudulent.

## "Front Organisations

4. We must take every opportunity of exposing the "front" organisations and of attacking them by overt means. Carly setion should be taken to remove the Headquarters of the World Federations of Scientific Workers from London.

#### THE MIDDLE BAST

#### Iraq

5(1)

(ii) We should look out for and be quick to counter any Russian attempts at economic penetration.

#### Jordan

6. (1)

(ii) We should urgently study ways of reducing the danger presented by the refugees, who are susceptible to all forms of hostile propaganda.

(iii) We should discuss with the Americans.

#### Persian Gulf States

7. (1)

/(11)

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#### Burma

- 11. (1) We should as far as possible help the Burmese to find outlets for their rice outside the Soviet orbit, and should ask the Americans whether they are sure that their rice disposal policy is not adversely affecting the situation. We should discuss this with the Treasury.
- (ii) We should take steps to improve the efficiency of the Burmese police and armed forces and maintain thir British connections by training courses, the supply of equipment, etc.
- (iii) Leading British public figures should be encouraged to visit Burma, where the British Labour Party is held in particularly high esteem.

#### (iv)

#### Indonesia

12. Much more must be done to exploit the chace by the Indonesian Government of English as their first foreign language. The British Council should be given the funds to set up a strong organisation in Indonesia.

#### "BLACK" AFRICA

#### General

13. (1) Her Majesty's Consular establishments in Africa should be inspected in view of our grave lack of information on the area, and our officers should be instructed to submit regular and detailed reports and, where necessary, given additional staff to enable them to do so.

# (ii)

- (111) A major effort should be made to prevent the Communist indoctribation of colonial students both at home and elsewhere.
- (iv) As soon as our own minds are clearer, we should seek closer coop ration with the Americans, and also as appropriate with the Belgian, French and Portuguese authorities.

#### Ethiopia

#### 14.(1)

(ii) We should keep the Ethiopian authorities regularly informed of Communist tactics.

#### EUROPE

France and Italy

15.

/Iceland

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## Iceland

- 16.(1) We should review urgently with the Americans what more we can do before the elections to check Communist influence.
- (i1) Arrangements for to be represented in Iceland should be completed urgently and a Labour Attaché should visit Iceland in the near future and frequently thereafter.

(1i1)

- (iv) An immediate increase in information work is important so that the Icelanders may be made aware of the dangers of Communist imperialism.
- (v) Exchanges of lecturers, etc., and increased facilities for police training, etc., in this country would be valuable.
- 17. I am sending copies of this minute for action to Mr. Ward, Mr. Allen, Mr. Shuckburgh, Mr. Grey, Mr. Wright and Mr. Williams. I am also sending copies for information to Foreign Office Ministers, the Permanent Under-Secretary, other Deputy and Assistant Under-Secretaries, Mr. A. D. Wilson, Mr. Henni K.er-Major and the Private Secretary; to General Stirling at the Chiefs of Staff, our friends and the Security Service.

P. H. DEAN March 29, 1956

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I think it would be useful to have two standard distribution lists for these papers: one for those of general interest, and a more restricted list for bapers of more specialized interest or of particular secrecy.

I think also that it would be convenient to rumber these papers in series (OPC/1/56, te).

lists. There are two papers availing airculation (I intend to send them round with the notice of meeting); a memorandum on Securety training in S.E. asia, which comes receive the wrider distribution; and the review for 1955 of our friends' special operations of the activities of 1.R.D., which is of the protest severy.

Papers on the restricted circulation might be marked Resmal, and made accountable and returnable to 0.7.5. (for destruction) after.

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(i1) We should do whatever is possible to counterest Egyptian influence, especially the influence of Egyptian teachers; teachers from alternative sources should be sought.

(111) We should give firm backing to the Sheikhs in preserving law and order.

(1v)

(v) Consideration should be given to improving our broadcast cov rage of the Persian Gulf area.

(vi)

#### Saudi Arabia

8.(i) We should continue to study the possibilities of disrupting the Egyptian-Saudi exis.

(ii)

in

- . (i) We should be prepared to offer arms to the Sudan at almost any price to counter Communist offers.
- (ii) We should give as much economic aid as we can to the Sulan and in particular help her to dispose of her surplus cotton. We must also try to forestall and counter any Soviet offers of economic aid or technical assistance (e.g. for the Roseires Dam).
- (iii) We should discuss (i) and (ii) with the Treasury.
- (iv) We should offer training cources in the U.K. for the Sudanese Police.
- (v) We should try to increase the influence of the moderates in the Communist-dominated Sudan Workers Trades Union Federation. For instance, we might suggest to the T.U.C. that they should invite a delegation to this country.
  - (vi) We should open a branch of the British Council in Khartoum.
- (vii) We should ask H.M. Ambassador for his urgent recommendations on further steps.
- (viii) We should consider arranging visits to the Sudan by prominent British personalities, and <u>vice versa</u>, which in view of the goodwill in the Sudanese administration and Army might pay good dividends.

#### SOUTH EAST ASIA

### Afghanistan.

10. We should keep the situation under constant review with the United States, Iranian and Pakistan Governments. As a first step we should sicuss possibilities for counter-action with the Americans.

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/Burma