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9/17/89

Dear Mr. Ignatius,

Your today's story on the Stephenson operation is fine and an important contribution to public understanding, which is significant in a representative society, yet to a large degree it lacks necessary context and in a small way it is quite unfair, as a matter of historical record, to those of us who were not Stephenson's stooges.

The Nazis were doing exactly the same thing before Stephenson's operation began and this included inside and with the Congress. Some of it happened in the office next to my own in the Senate Office Building, then only one. The influence of the Nazis was considerable, within and outside the America Firsters, and it was almost official policy that those of us who were anti-Nazi were Soviet agents.

There were many native Nazi groups and I am among those who exposed some of them. This extended even to the Catholic Church and its "Christian Front" organizations.

I did a definitive series of Nazi cartel exposes for what was then the third largest picture magazine, Click, including of Schering, without any help from Stephenson, who I'd met. He helped me only with an article on the anti-Nazi underground in Europe and there was so little interest in it (I was freelancing then) that I gave it away to a small Jewish magazine for \$10. I'm sure I am not the only writer of anti-Nazi exposes who was completely independent.

Whether or not the British history exaggerates its success, as I think it does, the pre-existing other side was enormously powerful and effective, in addition to the influences of the America Firster types and the smaller and numerous other groups. In particular this was true of financial and industrial interests.

You make slight reference to Allen Dulles' alleged concern that exposure of Esso's complications could hurt the war effort. He had other concerns, as did his brother John Foster and their law firm. Was it Sullivan and Cromwell? I don't recall. You'll have little trouble confirm<sup>ing</sup> from the Library of Congress if it is not in your own morgue that only a day or two before Hitler attacked Poland John Foster returned from a business trip to Germany, was interviewed on shipboard, then the usual practice, and said to the country and the world that Hitler was a much misunderstood man, that he was a man of peace. As you may recall, this did not hurt John Foster's subsequent career, as it surely would if someone had said anything similar of Stalin.

When it comes to interference with the war effort, Allen's alleged concern, nothing like what Esso had already done to interfere with it was possible. One of the stories I dug up and could not place was the Esso-I.G.Farben deal on synthetic rubber and gas, a deal solidly recorded in patent office files, my source. A U.S. corporation, M Jasco, was set up for it and under its terms we were prevented from using the Nazi patents to which we did or should have had a right.

I could never place that story, although, when I was working on the Schering story Hannah Baker, a reporter for PM I did not know, having heard I was working on it, phoned me about it. I offered it and PM even did not use it. I did give my research, really solid proofs, to both our Department of Justice and British economic intelligence. (In those days there was no xerox and I had to use photostats, which were costly and slow.) But there was no official action. (Some of the Nazi fronts were vested after my stories appeared.)

When I tried to recover from the Department of Justice under FOIA what I'd given it, it could not be found. Quin Shea, then appeals officer, told me that Joe Borkin was a friend of his, as in those World War II days he had been a friend of mine, and that Joe may have used this material in his book on IG Farben. Quin loaned me that book and it is there.

It was Joe, by the way, then in Anti-trust, which handled the cartel cases, who urged me to work with British intelligence, which I did. This was through men named Crowe and Westrupp. They and others had a house in the 30s just south of Mass. Ave and near it, on the west side. Westrupp had been a Beaverbrook reporter.

However, the British also could not <sup>do</sup> nothing with that material because the other partner in the deal represented by Jasco was British Imperial Chemicals.

The German clients of the Dulles brothers' law firm included the J. Henry Schroeder banking house.

The British did take advantage of our openness but that is nothing to what the Nazis did through, among other things, these financial and economic deals and relationships. Another of my exposes was of Rohm & Haas, best known for its plexiglas. Its influence extended into our own government but it was vested after my article appeared. (I'm not suggesting cause and effect and don't know.) The Nazis at ~~Bermond~~ <sup>Darmstadt</sup> still controlled the U.S. corporation through a Swiss connection or two. The names Ciba for Chemicals and Pharmaceuticals comes to mind along with Forinvent, for Foreign Inventions, but my recollection is not clear and these may relate to other corporations I exposed. Through the Swiss Bank Corporation, which had a Wall Street office I was kicked out of when I found the elevator that went to their secret offices above street level and used it, handled the royalties, ostensibly to Switzerland but actually to the Nazis. By simple arithmetic based on the royalty payments the Nazis could calculate our aircraft production. Bomber noses, etc.

I never finished that series of Click exposes because of the pressure brought to bear on the man more recently the friend of Presidents Nixon, Reagan and Bush, among others, and then the son who handled his father's responsibilities because his father was in jail. Walter Annenberg bowed to what I then understood was the pressure of the America First banks, as I now recall largely Chicago banks, first the then editor and most of his staff, thus ending that series and similar articles, and before long the magazine itself. His father was Moe, the man who introduced gangsters to Chicago in newspaper circulation wars. Their magazines were grouped as Triangle Publications.

These are merely some of the indications of Nazi power and influence in this country when and before the British began the Stephenson operation. It extended through much of our major industry, including steel. In this I recall only Krupp and stainless steel.

In the late 1930s I was a Senate editor. My office was under the steps toward the Supreme Court, Room 103. Senator Rush Holt's office was next to mine and such Nazi luminaries as George Sylvester Viereck had free access to it and to him and what they gave him he put in the Congressional Record, which was only the beginning of its distribution. Senator Arthur Vandenberg was hot for the native Nazi Gerald L.K. Smith and he put into the Congressional Record much of Smith's stuff. This included even a Committee of a Million which Smith formed to gather 1,000,000 signatures to some pro-Nazi petition, and Vandenberg made a speech about it.

The Nazis were quite and effectively active in Latin America. They and Franco's Falange had enough influence to do such things as control the post office in Chile. Click had a correspondent there who developed the plans for a Nazi putsch in Chile. His problem was getting it out. It was on 35 mm film he didn't dare mail. Through an under-secretary of state and an assistant attorney general I knew it was brought up in the pouch, given to me and I first gave it to Jimmy Roosevelt and his father used it in a fireside chat. Jimmy was with the forerunner of OSS. CIA says it can't find the pictures but it has the records of my delivery of them and of the return of the copies I sent to Click.

Even such prestigious ambassadors as our George Messerschmidt openly associated with and were friendly with Nazis and pro-Nazis. He was then in Cuba and I handled the pictures Click got of him with Nazis and pro-Nazis, like Raoul Maestri, whose family published the then largest Havana Paper, Diario de la Marina.

Schering at Bloomfield, N.J., counterfeited the Nazi Schering label on what it shipped to Latin America. They not only made the profits for the Nazi parent, they made it appear that the Nazis were breaking the British blockade of Nazi exports. There were other and to me more sordid aspects I still remember should it interest you in this Bloomfield operation.

I ramble as I write you in haste. Please excuse this and my typing for I must type sideways to the machine, with my legs elevated, and too close to the keyboard.

Whether or not the British history exaggerates, as would be normal and human, it is but one side. The British faced a Nazi operation in place and even more effective. The Stephenson operation did not get us into World War II, despite its effectiveness.

Rush Holt, by the way, was not the only pro-Nazi Senator or Congressman. And there were many publications that were pro-Nazi in varying degrees. Today's National Enquirer began when Gene Pope II bought out such a weekly then published in New York by a guy named Griffen or Griffin. Some of the larger papers had such prejudices, too.

There wasn't much competition in exposing Nazi cartels, alas. I remember only one, by a UP reporter who later became a friend. He is or was Lee Raschall and when he was a friend he managed ABC's KGO-TV and radio in San Francisco. He liked me, as he said, because as a kid I'd beaten his pants off, his words, on the Schering story. It may have been fed to UP by George of course.

But to suggest that this George operation was the only thing is to corrupt the historical record because at least some of us were entirely independent. I was and I didn't know about "George" until I read your fine piece.

As this country had many pro-Nazis, it also had anti-Nazis, of whom I was one.

You are, I'm sure, too young to remember the climate, including in publishing, in those days. Even people like Father Coughlin, of the Church of the Little Flower and those Sunday night radio broadcasts that were so effectively pro-Nazi, were relatively immune. I discovered the records of his financial dishonesties when I was not writing but knew many reporters. None was interested so I gave it to the left-wing writer Jack Pivack. He did a book based on it. "The Shine of the Silver Dollar."

Henry Ford also had a Sunday night, coast-to-coast radio program with a message in it by his pro-Nazi spokesman, W.J. Cameron. He and Coughlin, of course, were also anti-Semitic.

There were also powerful and influential pro-Nazi groups in England. Most changed after Hitler invaded Poland, but not by any means all. Two of the luminaries you mention, both later ambassadors here, were reputedly of such sympathy. As were the Astors of Cliveden, hence the name "Cliveden set." They and the like-minded there and here wanted Hitler strengthened in the hope he'd attack the USSR but he started with Poland.

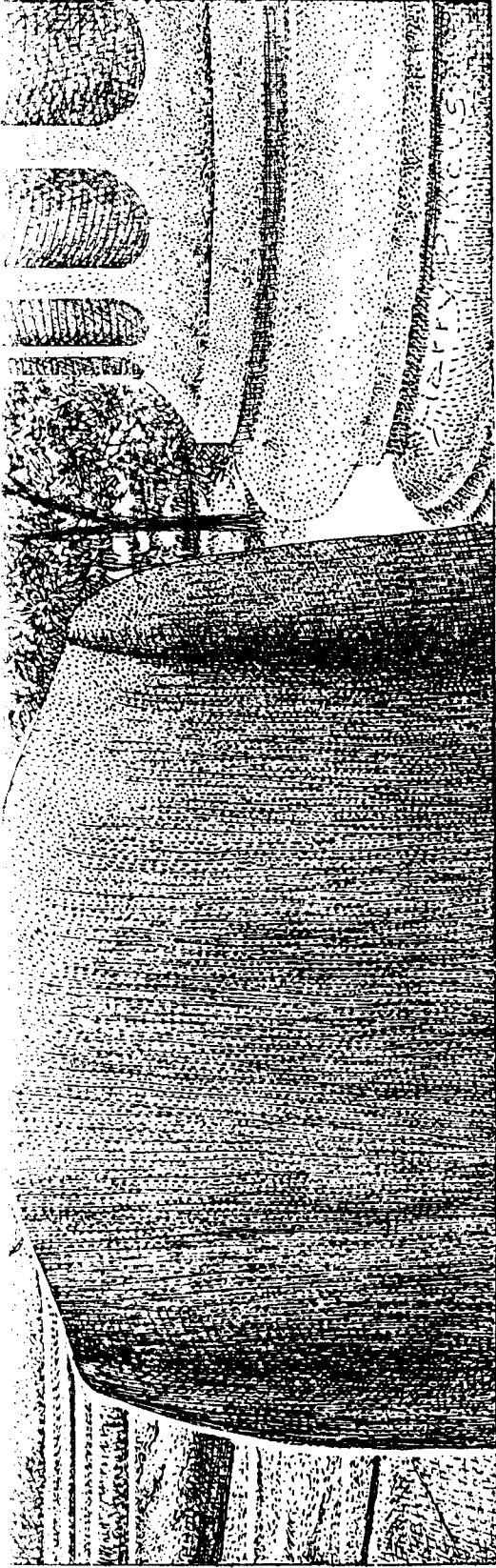
It is, of course, too late for your article, but I write to give you a little of the context of which I presume you knew nothing, not having lived through it.

Journalists then had little interest in such things and even less about the Japanese than about the Nazis. I have almost exclusive boasting rights about Pearl Harbor, but that is another matter. Perhaps the lack of journalist interest came from an accurate reading of publisher interest and disinterest but it is, sadly, the fact.

Pope Simon published a pro Mussolini paper in New York.

Best wishes,

Harold Weisberg



HARRY PINCUS FOR THE WASHINGTON POST

# BRITAIN'S WAR IN AMERICA

*How Churchill's Agents Secretly Manipulated the U.S. Before Pearl Harbor*

By David Ignatius

**A** SECRET HISTORY of British intelligence operations in America during World War II reveals that Britain was engaged in a far broader—and more cynical—attempt to manipulate the United States in the two years before Pearl Harbor than has previously been revealed.

The British planted propaganda in American newspapers, covertly manipulated radio stations and wire services, harassed their political enemies in Congress and the labor movement and plotted against American corporations that were unfriendly to British interests, according to the secret history. They also pushed for creation of an American intelligence agency and helped install William J. Donovan—whom the British referred to as “our man”—at its head.

Among its many revelations, the history lists the publishers or editors of five of the nation's leading newspapers as friends “who rendered service of particular value” to the anti-Nazi prop-

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Intelligence experts say it was a masterful covert-action program—arguably the most effective in history. And by drawing the United States out of isolationism and into the web of British secret operations in a global war, it changed America forever.

“BSC ran a vast range of covert operations which, in effect, became the foundation of subsequent OSS and CIA operations,” says Thomas F. Troy, a retired CIA officer who is a leading historian of American intelligence activities during the war.

Like many intelligence operations, this one involved an exquisite moral ambiguity: The British used ruthless methods to achieve their goals, and by today's peacetime standards, some of their activities may seem outrageous. Yet they were done in the cause of Britain's war against the Nazis—a cause regarded today almost universally as just—and by pushing America toward

intervention, the British spies helped win the war.

Details of the British campaign are contained in a 423-page document that carries the bland title, “British Security Coordination (BSC): An Account of Secret Activities in the Western Hemisphere, 1940-45.” This study, marked “top secret,” was prepared in 1945 by BSC historians. Ten leather-bound copies were distributed, supposedly to Roosevelt, Churchill and various British intelligence chiefs. None has surfaced publicly, until now.

The Washington Post was shown a copy of the BSC history last week and allowed to take extensive notes on it by an individual who asked to remain anonymous. The Post asked Troy, the American intelligence historian, to review the material and verify its authenticity.

The BSC history's frank account of British spying makes it “one of the most astounding documents in history,” says Rupert Allason, an intelligence historian who writes under the name Nigel West. He says an American publisher, which separately obtained a copy of the BSC stu-

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whether to approve publication of the study in England. (A spokesman for the Cabinet Office had no comment on the matter.)

The chief of the British covert campaign was the late Sir William Stephenson, who was celebrated in a 1976 book, "A Man Called Intrepid." The author of "Intrepid," William Stevenson (no relation) said in an interview that he consulted the official BSC history in preparing his book but deliberately omitted details that were "disagreeable" and might hamper future Anglo-American cooperation. (He says that Sir William used to warn him about possible American reaction to some parts of the history by repeating the phrase: "The Redcoats are coming!")

It's easy to see why Sir William was anxious about American reaction to certain portions of the BSC history. The study is a virtual textbook in the art of manipulation. And it portrays the America of 1940 and 1941 as a society almost laughably easy to manipulate.

Boasting at one point of BSC's success in peddling to U.S. newspapers the anti-Hitler predictions of a bogus Hungarian astrologer named Louis de Wohl, the study observed: "It is unlikely that any propagandist would seriously attempt to influence politically the people of England, say, or France through the medium of astrological predictions. Yet in the United States this was done with effective if limited results."

Or consider this succinct characterization of J. Edgar Hoover, who as head of the FBI was something of a nuisance to the British agents: "J. Edgar Hoover is a man of great singleness of purpose, and his purpose is the welfare of the Federal Bureau of Investigation."

**T**o understand the ferocity of the British campaign, you have to go back nearly 50 years to the desperate months of mid-1940, when the Nazis were sweeping Europe and Britain itself seemed on the verge of defeat. American help was Britain's only chance of survival, and the British were determined to get it—by whatever means necessary.

Stephenson, a Canadian businessman,

was sent to the United States in the spring of 1940 to coordinate the activities of British intelligence in America. He created BSC as an umbrella organization for regular British intelligence collection through MI6 and special wartime operations. Stephenson's assignment, says the BSC history, was "to do all that was not being done, and could not be done by overt means, to assure sufficient aid for Britain and eventually to bring America into the war."

BSC set up shop in Rockefeller Center, with the cable address "Intrepid." Stephenson maintained official liaison with Hoover at the FBI. But he also worked behind Hoover's back, recruiting agents and developing his strategy for political warfare.

In his covert campaign to push American into the war, Stephenson had two crucial allies. The first was Franklin Delano Roosevelt himself, who profoundly supported the anti-Nazi cause and was prepared to risk impeachment to help Britain survive. FDR's speechwriter, Robert Sherwood, even made a practice of showing important foreign-policy speeches to Stephenson before they were delivered, according to the BSC history.

The second key ally was "Wild Bill" Donovan, named by Roosevelt in June 1941 as coordinator of information and a year later as head of the Office of Strategic Services. By helping engineer Donovan's appointment to head the new American intelligence agency, Stephenson accomplished his most delicate task, described in the BSC history as "the assurance of American participation in secret activities throughout the world in the closest possible collaboration with the British."

Britain's problem was that in mid-1940, few Americans shared President Roosevelt's enthusiasm for intervention in the European war. The country was officially neutral, and isolationist politicians wanted to keep it that way. After the Nazis conquered France in May 1940, it was widely assumed that a British defeat was inevitable, and few people wanted to intervene on the side of a loser. The America First society, founded in October 1940, added to the anti-British fervor. BSC's challenge was

to reverse that mood of American isolation and defeatism.

### 'Political Warfare'

Stephenson's answer was to declare "political warfare" on Britain's enemies in America. His most important allies were sympathetic journalists. "The conduct of [BSC's] political warfare was entirely dependent on secrecy," notes the BSC history. "For that reason the press and radio men with whom BSC maintained contact were comparable with subagents and the intermediaries with agents. They were thus regarded."

The roster of BSC's friends included some of the most prominent names in journalism. "There is no need to list them all," says the BSC history, "but among those who rendered service of particular value were George Backer, publisher of the New York Post, Ralph Ingersoll, editor of PM, Helen Ogden Reid, who controls the New York Herald Tribune, Paul Patterson, publisher of the Baltimore Sun, A.H. Sulzberger, president of the New York Times, Walter Lippmann and several other columnists . . ."

This list of friends in the press, like other passages in the history, may represent some boasting on BSC's part about its wide contacts and great successes. But the BSC historians reiterate the point in another section: "BSC was able to initiate internal propaganda through its under cover contacts with selected newspapers, such as the New York Times, the New York Herald Tribune, the New York Post and the Baltimore Sun; with newspaper columnists and radio commentators; and with various political pressure organizations."

Other helpful media contacts cited in the BSC history were the columnists Walter Winchell and Drew Pearson. And in April 1941, BSC says, it began subsidizing Overseas News Agency, a branch of the Jewish Telegraph Agency, "in return for promise of cooperation in certain specific ways."

The British spymasters played this media network like a "mighty Wurlitzer," to borrow a phrase used by CIA Deputy Director Frank Wisner in the 1950s to describe American cold war propaganda. Like so many other

things, the Americans learned to manipulate the media from their British cousins. Indeed, the BSC history is almost a menu for the covert-action techniques that have been used ever since by the CIA.

### A Media Campaign

An example of how the BSC media campaigns worked is the case of a German agent named Gerhard Alois Westrick. BSC agents first gathered intelligence about Westrick's activities in the United States—and in particular his close contact with Tor-kild Rieber, a Norwegian-American who was president of Texaco, which the British suspected of supplying oil to the Axis.

"These facts provided sufficient basis for a first-class news story," explains the BSC history. "The story was written by BSC and placed, through an intermediary, in the New York Herald Tribune, where it was published as a series of articles." The stories began appearing in mid-1940, with headlines like "Hitler's Agent Ensnared in Westchester."

The press campaign was a huge success. After publication, notes the BSC history, "Westrick was deluged with threatening letters and abusive telephone calls. A hostile crowd gathered outside his house. . . . Eventually his landlord asked him to leave the house. . . . His American contacts, unwilling to be labeled Fifth Columnists, all deserted him." To achieve these results, notes the study, "All that was necessary was contact through a reliable intermediary with one influential newspaper."

"There was even a proposal," remarks the BSC study, "that the paper should receive the Pulitzer Prize for its good work."

In dealing with hostile newspapers, Stephenson sometimes tried sweet talk. For example, notes the BSC history, "he undertook a prolonged wooing of Roy Howard, president of the large chain of Scripps-Howard newspapers." But the BSC study notes: "During the critical period before Pearl Harbour [hostile newspapers] represented such a grave menace to the British cause that serious consideration was given to the possibility of putting them out of business. . . ."

This strategy was considered in the case of the Hearst newspaper chain. Stephenson learned in June 1941 that the Hearst syndi-

# A Brit View of America

*In explaining Britain's campaign against Axis propaganda in the United States, the BSC history included this chilling account of America's susceptibility to foreign manipulation:*

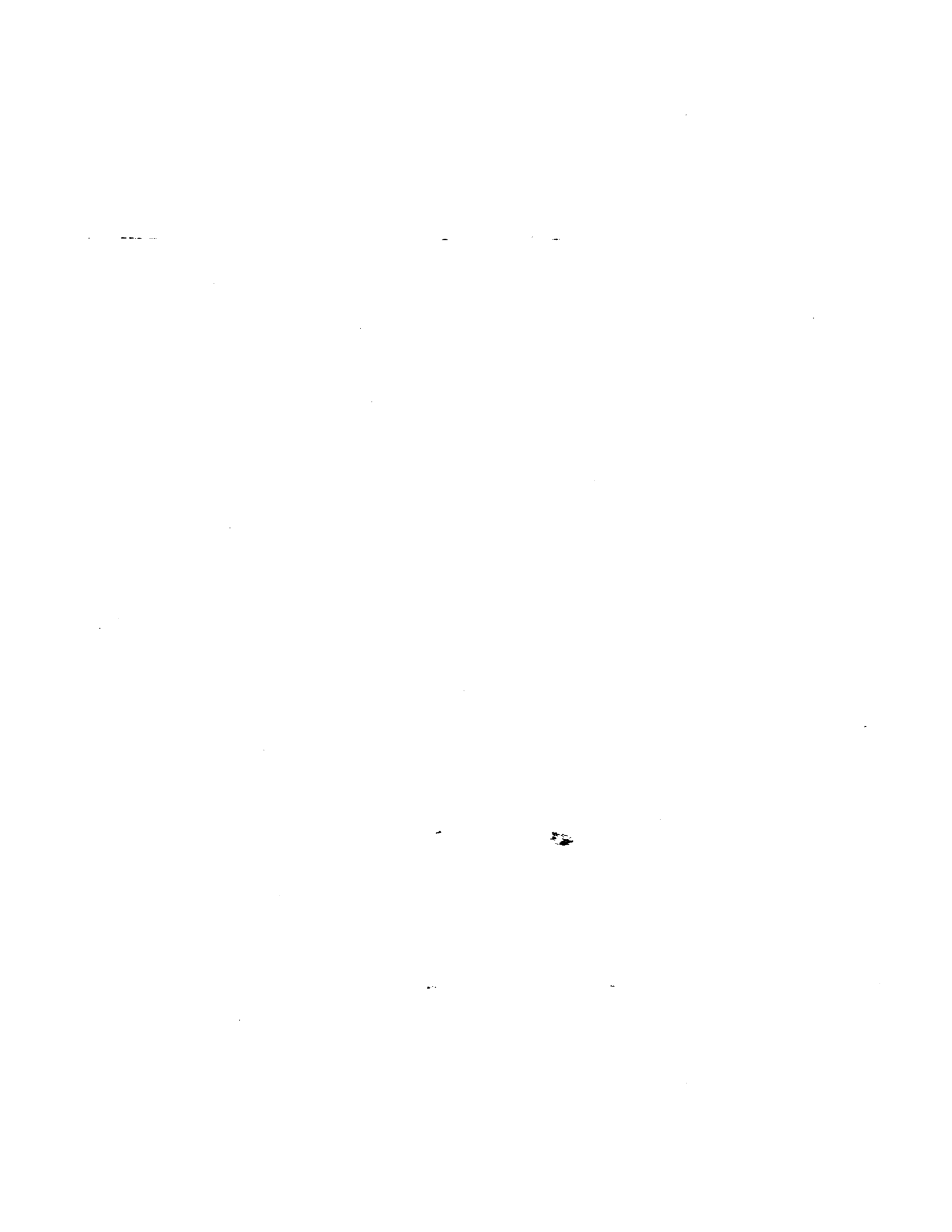
**“I**N PLANNING its campaign, it was necessary for BSC to remember . . . the simple truth that the United States, a sovereign entity of comparatively recent birth, is inhabited by people of many conflicting races, interests and creeds. These people, though fully conscious of their wealth and power in the aggregate, are still unsure of themselves individually, still basically on the defensive and still striving, as yet unavailingly but very defiantly, after national unity and indeed after some logical grounds for considering themselves a nation in the racial sense. It is their frustrated passion to achieve a genuine nationalism which leads them to such extravagances—more wishfully assertive than fervently patriotic—as the annual ‘I am an American’ Day and to such absurdities of expression—often heard—as ‘Wishing you a real American Christmas.’”

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**BRITISH SECURITY COORDINATION (BSC)**  
An Account of Secret Activities in the Western Hemisphere  
1940-45

TOP SECRET  
COPY No (i)





cate owed \$10.5 million to a Canadian paper manufacturer, in demand notes that were renewable every six months. Stephenson wanted to buy up these notes, call for payment of them and thereby drive Hearst out of business. But the Treasury in London refused to provide the money.

### Radio Station WRUL

**T**he extent of BSC's media operations is clear from one final example, involving a radio station known as WRUL, based in New York. The station had been founded by a businessman named Walter Lemmon who had worked for IBM, with the aim of spreading "international goodwill." It had a powerful 50,000-watt shortwave transmitter and a huge audience around the world. BSC set out to manipulate it.

"Through cut-outs, BSC began to supply it with everything it needed to run a first-class international programme worthy of its transmitting power and declared policy," explains the history. "BSC subsidized it financially. It recruited foreign news editors, translators and announcers to serve on its staff. It furnished it with material for news bulletins, with specially prepared scripts for talks and commentaries . . ."

Soon, an unwitting WRUL had been transformed into a covert propaganda instrument. For example, London decided in May 1941 that it wanted a propaganda campaign to deter Spain from entering the war on Germany's side. WRUL broadcasts written by BSC agents launched this campaign in June.

The station's nominal commitment to journalistic ethics was easily subverted. Notes the BSC history: "WRUL had a rule against broadcasting material which had not appeared in the American press, but BSC got around this by inserting its own material in friendly newspapers, and then quoting it."

Even the BSC historians sound chagrined in recounting what they did to WRUL. The discussion of this operation concludes: "Thus it happened that an American wireless station with an unsullied reputation for impartiality was, for many months during the most critical period of the war, unknowingly harnessed to the task of broadcasting British propaganda . . ."

### Front Groups

**B**ritain's most challenging problem was isolationism, for it was in many ways an accurate reflection of American political sentiment at the time. FDR and the establishment journalists might be committed internationalists—convinced that America's destiny required intervention in the European conflict. But much of America was still naive and insular, burned by its experiences in World War I and hoping to sit this one out.

Stephenson understood the depth of America First sentiment. By the spring of 1941, BSC reckoned that the isolationist group had 700 chapters and nearly a million members. "As the speed of its growth was observed, agents were dispatched to each part of the country to attend its meetings, to keep track of its new members and to ponder upon new and effective ways of instigating counter propaganda," explains the BSC study.

Stephenson decided "to declare a covert war." This included the usual media campaign. It also involved aggressive use of front groups. The BSC study cites a half-dozen such groups, including two that were associated with the American Federation of Labor. ("It was impossible to do anything with large segments of the Congress of Industrial Organization before June 1941," when Hitler invaded Russia, notes the study.)

BSC agents "persuaded one or more of these pro-British societies to cover each important America First meeting and do all they could to disrupt it and discredit the speakers."

The harassment was well-organized. When isolationist Sen. Gerald P. Nye spoke in Boston in September 1941, demonstrators from a front group called Fight for Freedom "passed out 25,000 handbills attacking him as

an appeaser and as a Nazi lover." When Rep. Hamilton Fish addressed a rally in Milwaukee, "Fight for Freedom was there too, and just before Fish concluded his inspiring oration, someone handed him a card on which was written 'Der Führer thanks you for your loyalty.'" And for an America First rally at Madison Square Garden Oct. 30, 1941, BSC agents tried (unsuccessfully) to sow confusion by printing duplicate tickets.

BSC also organized a clever campaign to expose misuse of the congressional franking privilege by isolationist senators and congressmen, and a resulting legal case was reported avidly in *The Washington Post*. And it tried to oust the isolationist John L. Lewis from leadership of the CIO. BSC agents were sent to the CIO convention in Detroit in November 1941, for example.

To complete its network of front groups, BSC organized in the fall of 1941 the "American Irish Defense Association." BSC also claimed ties to the Italian-American Mazzini Society, headed by the journalist Max Ascoli. And in the Arab-American community, BSC says it worked closely with Salloum Mokarzel, president of the Lebanese League of Progress.

Slowly, the message took hold. Isolationism was bad. It was anti-American. The BSC study describes the press stories about the pro-Nazi sentiments of isolationists: "All this and much more was handed out by devious means to the great, impartial newspapers of the country . . . Personalities were discredited, their unsavory pasts were dug up, their utterances were printed and reprinted . . . Little by little, a sense of guilt crept through the cities and out across the states. The campaign took hold."

### **The Rumor Factory**

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**N**o tactic was so weird that Stephenson & Co. wouldn't give it a try. In that spirit, BSC created in 1941 a rumor factory, whose "objectives ranged all the way from publicizing misleading information about allied strategy to undermining the prestige of

an individual Nazi by encouraging salacious gossip about his private life."

The BSC rumormongers had a rule: "Particular rumors should be designed to appeal to particular groups. Catholics in South America, for example, were always deeply influenced by stories of Nazi desecration of churches and monasteries." Thus a Vatican Radio broadcast in December 1942 condemning sexual immorality in Germany provided the British "an opportunity to invent material with which to feed the flames of Catholic resentment," explains the BSC history.

The British technique for spreading rumors was simple. The BSC history explains how British operatives in London would start a rumor by planting it in the office of a London newspaper. The paper would cable its correspondent in New York for further information. Another query would go to an American wire service, which would cable its Berlin correspondent. In a few hours, the rumor would have spanned the globe.

Two examples show how it worked: In November 1941, London asked BSC to circulate rumors that would undermine the morale of German U-Boat crews. "At once, ONA [Overseas News Agency] put out a story with an Ankara dateline stating that a new superexplosive had been discovered by the British for filling depth charges. The story appeared on the front pages of all the leading American newspapers."

A similar manipulation took place in June 1942, when the British decided to spread a rumor that a German submarine had torpedoed a Brazilian ship. BSC originated the story in Argentina. It was cabled back to London as genuine news and denied with indignation over a German wireless, the study says.

### **Economic Warfare**

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**A** final aspect of BSC's operations in America before Pearl Harbor was its campaign against German-controlled corporations in the United States, such as

## FOREWORD

This account has been prepared, at my instruction, by BSC officers, who have used the organization's files as sources of information. The original purpose was to provide a record which would be available for reference should future need arise for secret activities and security measures of the kind it describes.

That purpose has already been advanced to the point of immediacy by the march of events; for, with the advent of atomic weapons, what is written in the pages following may be considered relevant to the present rather than to a hypothetical future. Against possible atomic attack, the only hope of survival is to be forewarned; and—having regard, in particular, to the various surprise forms of atomic attack which an aggressor nation might employ—to be forewarned clearly necessitates a world wide Intelligence Service of maximum effectiveness.

This record of lessons learned and of methods evolved under the impetus of war is, therefore, submitted as contribution to the maintenance of such a service. It demonstrates, above all, that, during the period under review, an organization in the Western Hemisphere restricted in its authority to collecting intelligence by established means would have been altogether inadequate and that the success of secret activities was primarily dependent upon the coordination of a number of functions falling within the jurisdiction of separate Government departments in London. It was only as a result of such coordination that BSC had the necessary elasticity to meet the urgent demands of the situation and to adapt itself readily to swiftly changing needs. In referring to it, one feels impelled to make specific mention of the close cooperation afforded BSC by H.M. Embassy in Washington—without which much that was achieved could not have been. Lord Lothian's intimate concern in the early days proved invaluable; and so, too, did the unfailing support subsequently given by Lord Halifax.

The conception of coordinated operations in the field of secret activities, which BSC originally exemplified, was the basis upon which the Americans built, with astonishing speed, their own highly successful wartime Intelligence Service. It is, perhaps, not going too far to suggest that this conception may properly be regarded as essential to the maintenance of world wide vigilance and national security in the critical years ahead.

WILLIAM STEPHENSON

New York,  
December 31st, 1945.

The foreword page of the secret history of British Security Cooperation, written by William Stephenson, the man who headed the organization. Stephenson wrote that he had asked BSC officers to prepare the history "to provide a record which would be available for reference should future need arise for secret activities and security measures of the kind it describes." In the final paragraph of his foreword, Stephenson boasts of BSC's role in helping create a British-style American intelligence unit during the war.

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Schering AG and I.G. Farben. In addition to their economic clout, these giant corporations were thought to provide cover for German intelligence operations in the Western hemisphere.

Here again, the press was a crucial ally. In the case of the giant chemical cartel I.G. Farben, notes the BSC history, "Rumors were spread. Articles were placed in newspapers and magazines. Radio talks and protest meetings were organized, and arrangements were made for picketing certain Farben properties . . ." Among the rumors spread by the British was that the RAF had bombed Farben's archives in Germany and destroyed its drug formulas, "with the result that there had been many deaths from wrong prescriptions," says the BSC study.

A sidelight to the anti-Farben campaign was an attack on Standard Oil of New Jersey, the predecessor of Exxon, which had developed a kind of global truce with Farben during the 1920s. BSC cranked up the usual media campaign, including nasty references in a propaganda pamphlet called "Sequel to the Apocalypse." This was followed by lawsuits and government investigations. "Thus Standard was forced to sever a number of its Nazi ties before America entered the war," says the BSC study.

Among those upset by the anti-Farben campaign was Allen Dulles, a Wall Street lawyer who had been drafted into Donovan's intelligence group and would later become director of central intelligence. One BSC document (not contained in the official history but made available by Thomas Troy, the American intelligence historian) notes that in March 1942, Dulles and a colleague "expressed their desire to have our propaganda action in the U.S.A., as far as I.G. Farben is concerned, discontinued. Their explanation of this was that, in their opinion, this might involve large American companies like Standard Oil of New Jersey, etc., thereby perhaps impairing the war effort."

### **The George Office**

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One of the most intriguing chapters of the BSC story involves the "George office" in New York, which managed much of the economic warfare campaign. Its activities are the subject of a forthcoming book by Troy titled "George: The Most Secret Office in OSS."

The George office took its name from its director, George Merten, a German economist who had fled the Nazis and come to America in 1938. While working for Schering's American office in Bloomfield, N.J., he discovered that the firm was con-

trolled by the Nazis and passed this information along to BSC. He soon was working for BSC full time, gathering economic intelligence and planting newspaper stories with friendly journalists.

While George's activities escaped the attention of FBI Director Hoover and Assistant Secretary of State Adolph A. Berle, those two became increasingly suspicious of BSC's operations in general. They argued—especially after Pearl Harbor—that British intelligence activities in America were out of control and demanded that offensive covert operations be stopped.

The British responded, in the case of the George office, by persuading Donovan to take the operation under his wing and make it part of what became OSS. To hide other offensive operations, the British simply tried to act more discreetly. The British also had to call off a surveillance operation they had mounted against Berle, which had included tapping his telephone and other efforts to collect dirt on him. (The only eccentricity the British could come up with was the fact that Berle had two bathtubs in his bathroom, so that he and his wife could bathe together and she wouldn't miss his pearls of wisdom.)

Berle's sin against the British, says Troy, "was that he had the quaint notion that no foreign intelligence organization should operate in the United States."

# The Game of 'Vik'

*As part of its "political warfare" campaign against Germans and Nazi sympathizers, British intelligence suggested that "freedom-lovers" around the world should secretly compete in harassing the enemy by playing a game called "Vik." The game's purpose, explained the BSC history, "was to use ridicule as a weapon against the Nazis." In practice, it bore an eerie resemblance to American fraternity-house hazing—and to the "dirty tricks" used a generation later in the Watergate affair. Here's an excerpt from a memo that was prepared by BSC's Station M, near Toronto, suggesting some ways to play the game:*

**A** NAZI "can be telephoned at all hours of the night and when awakened can be apologetically assured that it is the wrong number; the air can mysteriously disappear out of his motor car tyres; shops can be telephoned on his behalf and asked to deliver large quantities of useless and cumbersome goods—payment on delivery; masses of useless correspondence can reach him without stamps so that he is constantly having to pay out petty sums of money; his lady friend can receive anonymous letters stating that he is suffering from mysterious diseases or that he is keeping a woman and six children in Detroit; he can be cabled apparently genuine instructions to make long, expensive journies; a rat might die in his water tank; street musicians might play 'God Save the King' outside his house all night; his favorite dog might get lost. With a little thought it should be possible to invent at least 500 ways of persecuting a victim without the persecutor compromising himself."