

State Research

An independent group of investigators collecting and publishing information from public sources on developments in state policy, particularly in the fields of the law, policing, internal security, espionage and the military. It also examines the links between the agencies in these fields and business, the Right and paramilitary organisations.

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**BULLETIN
No. 7**

**THE ECONOMIC LEAGUE – ANTI TERRORISM LAWS – POLICE
AND THE NATIONAL FRONT – WHITE PAPER ON OFFICIAL
SECRETS – FREEDOM BLUE CROSS**

**NEWS &
DEVELOPMENTS**

**THE WHITE PAPER ON
OFFICIAL SECRETS**

The Government's White Paper on reform of the Official Secrets Act, published on 19 July, contains few surprises. It reflects, in greater detail, the statement made to the House of Commons by Home Secretary Rees on 22 November 1976. The Government's general approach is to adopt the proposals of the 1972 Franks Committee, with minor alterations which, on balance are less liberal than Frank's ideas. These were analysed in some detail in the background paper 'Secrecy and Security' in *State Research Bulletin No 3* (December 1977-January 1978).

The White Paper is only concerned

with the replacement of Section 2 of the 1911 Act by an Official Information Act, whose most significant change would be the removal of criminal penalties from the mere receipt of official information. Section 1 – which Mr Rees continues, in the face of the evidence of the Aubrey, Berry and Campbell prosecutions, to call 'the spy clause' (*Hansard, 19/7/78*) – is left untouched. And there are no immediate or foreseeable proposals for a freedom of information Bill along the lines proposed in the 1974 Labour Election Manifesto.

Furthermore, it is important to appreciate that the White Paper is primarily concerned with the application of the *criminal law* to the receipt and transmission of government information. It therefore leaves untouched the armoury of administrative sanctions against disclosure. Information will not be more readily available as a result of enactment of the White Paper's

proposals. In spite of a limp proposal for further research on the subject, the White Paper is not concerned with extension of the principles of 'Open Government'.

The White Paper proposes (paras 12-14) three amendments to the application of the criminal law proposed by Franks. Economic information is to be removed from the restricted list, as is disclosure of Cabinet and Cabinet Committee documents providing that these do not fall into one of the categories already on the list (defence and internal security, international relations, law and order, intelligence and security and 'confidences of the citizen').

Criminality

Although the White Paper remarks that defence and international relations are matters of 'legitimate public interest' the proposals here are for an extension of the Franks concept of 'Defence-Confidential' classification to 'Defence and International - Confidential' in order to cover 'a wider range of defence and international relations information than the Franks Committee had suggested' (para 18).

The test of criminality which will be involved in the handling of such documents will be 'the likelihood that the disclosure of information will damage our interest and not simply the fact that a document has been marked' (para 23). Thus not even the new classification and marking system — whose object is the clarification of the category of classified information — will wholly remove the open-ended character of charges under the new Act.

Such open-endedness was one of the central objections to the old Section 2. In all cases brought under the defence and international relations sections, the responsible Minister, plus either the Attorney-General or the Lord Advocate, will have to authorise a certificate to be presented to the court stating that 'the disclosure of the information would cause serious injury to our interests'

(para 24). This certificate would be conclusive evidence.

The proposals for classification of 'law and order' information (police, prisons and Post Office) rule out the disclosure of any information which is 'likely to be helpful' in the commission of crime or, in the case of prisons, 'prejudicial to security'. These are precisely the wide loopholes which exist at present and this section is a telling example of how the White Paper would not substantially affect the existing situation.

Although Franks proposed a 'serious injury to the interests of the nation' test for the non-disclosure of protected information in the security and intelligence field, the government has extended the restrictions. All information in this area, says the White Paper (again echoing Mr Rees' November 1976 statement), 'is deserving of the highest protection whether or not it is classified'. This section (para 31) has at least one eye on the Aubrey, Berry and Campbell case when it says that there is a danger to the state in the accumulation of 'small items of information, apparently trivial in themselves'. And the White Paper then lists information which should be protected in this category, including 'ciphers, keys, passes, communications equipment and other physical and technical means of preserving security and information about such measures'.

The White Paper was received with hostility in Parliament and in the press. Coming as it does at the end of a parliamentary session which may be immediately preceding a General Election, it seems possible that this hostility to it spells the death of the proposals for some time. As Home Secretary Rees said in Parliament: 'I would rather wait until certain legal proceedings have taken place' before the wider issues of section 1 are taken up again.

Reform of Section 2 of the Official Secrets Act 1911 (Cmnd 7285) HMSO July 1978 (70p)

CHANGING USE OF ANTI-TERRORIST LAWS

The Prevention of Terrorism Act will have been on the statute book for four years in November. The first, the 1974 Act was replaced by a new Act in 1976. An analysis of government statistics on their use shows a changing emphasis. Whereas in the early days the most major powers were more often used, it is now the peripheral powers that are increasingly being employed.

Under the Prevention of Terrorism Act the police have the power of arrest without warrant on suspicion that a person supports a banned organisation (i.e. the IRA) or is involved in terrorism, has failed to reveal what they know about terrorism, or is subject to an exclusion order under the Act. They can detain someone for up to 48 hours without charge, and, if they get the Home Secretary's consent, for a further five days — still without charge. Moreover, 'examining' officers at ports of entry (usually either police or immigration officers) can detain people for much the same reasons for 'questioning' and 'further examining'.

In the first six months of the Act's existence, a total of 630 people were detained under these powers (up to 10 June 1975). Of these 630, 91 (14.44%) were detained for between 48 hours and seven days, 269 (42.7%) were detained for up to 48 hours and 270 (42.86%) were detained at ports for further examination.

However, between June 1975 and May 1976, when 985 people were detained these proportions underwent a drastic change: 114 (11.57%) of those detained in this period were held for between 48 hours and seven days (previously 14.44%) 136 (13.81%) were held for up to 48 hours (previously 42.7%) and 736 (74.62 (74.62%) were detained at ports for further examination (previously 42.86%).

From May 1976 — May 1977, 936

people were detained: 45 (4.81%) for between 48 hours and seven days, 172 (18.38%) for up to 48 hours, and 719 (76.82%) were detained at ports for further examinations.

This trend has been maintained in the most recent twelve-month period for which figures are available. Between 2 May 1977 and 26 May 1978, 28 people (4.09%) were held for between 48 hours and seven days, 98 people (14.33%) were held for up to 48 hours, while 588 people (81.58%) were detained at ports.

It is therefore very clear that the early use of the Prevention of Terrorism Act has been replaced by a new and now well-established routine. What appears to have happened is this. In the earlier period, people already *resident* in Great Britain were arrested by the police more often in proportion to arrests or detentions of people *coming* into the country. This exercise was either so successful or the lull in mainland bombing made it less necessary (or both) that the emphasis has shifted to *control at ports and airports*. The statistics issued by the government show that very few indeed of those detained at the ports are subsequently charged or made the subject of an exclusion order. The Act is now being used mainly at ports (Merseyside has recently overtaken the Metropolitan area as that in which there have been most detentions) as a means of harassment and attempted information-gathering.

Like so much emergency legislation, once it becomes established, it is the peripheral rather than the extreme powers which are used with greater frequency with the consequence that the law is increasingly being used in ways different from those Parliament intended.

Exclusion orders

Perhaps the most extraordinary power under the Prevention of Terrorism Act is the power of 'exclusion'. This effectively allows the Home Secretary to create a travel barrier round Northern Ireland

stopping selected people moving between Northern Ireland and mainland Britain. Persons excluded do not have a right to know why. The object of exclusion is to get Irish Republicans out of mainland Britain.

Since 1974, 125 exclusion orders have been served, 49 of these in the first six months of the law's existence. From the evidence available, it is fairly clear that while some of these people may have been connected with terrorism in some way, many were not. Many were non-violent political supporters of Irish Republicanism, whose lawful organisations were emasculated quite deliberately and effectively by exclusion in the first year.

Since that time, though, the bombings in Britain have stopped. People have been convicted of almost all the major bombing incidents. What remains unexplained therefore is the rise in the number of people excluded over the past year. Between May 1977 and May 1978, a period of peace, 36 people have been excluded, far more than during any other period since the early days of the Act (in the full two years between June 1975 and May 1977 there was a drop and a total of 40 people were excluded).

Another noteworthy trend here is the fact that whereas in the first six months 17 of the 49 people excluded went to the Republic, now only two of the 36 in the last year went there. It is nowadays true to say that almost all those excluded from Britain go to Northern Ireland, where only one of them has ever been charged with an offence on arrival.

The main question raised by these recent developments is why should there be such a large increase in exclusions in recent months?

THE NF AND THE POLICE

The relationship between the police and the National Front has markedly deteriorated, according to the Front's national organiser Martin Webster. This is the subject of an article in the May issue of the

NF journal *Spearhead*, titled *Now The Police Are Mobilised Against Us*.

Webster dates this deterioration from December 1977, and his article implies that anti-racist activities by groups like the Anti Nazi League and local committees of the Campaign Against Racism and Fascism have so far successfully dented the Front's claim to liberal democratic respectability. This follows campaigns to get local authorities and other institutions to deny platforms for the racist views of the NF.

The analysis Webster puts forward is that police 'impartiality' towards the NF has now broken down. He asserts that the political establishment now sees the NF as a serious threat, and suggests that: 'The establishment exerted its influence on its appointees at the top of the police service: the Commissioner of the Metropolitan Police in London and the Chief Constables of the county constabularies' without 'resort to the crude expedient of a ban by Act of Parliament.'

In the course of detailing the changing police attitude, Webster reveals a remarkable instance of past police-NF co-operation. Following an NF complaint that distribution of a leaflet by the Board of Deputies of British Jews in February 1974 was a breach of electoral law, a Special Branch officer and a Fraud Squad officer were 'engaged in a month's long nationwide investigation.' No prosecution of the Board was made, but local leaflet distributors were taken to court. The Appeal Court later acquitted those charged as the leaflets in question did not actually state 'Don't vote NF'.

The *police* however, appealed to the House of Lords, 'who ruled that its distribution was unlawful, except where a candidate in a constituency where it was distributed accepted responsibility'. As Webster says:

'Not many people know about that police operation which, with the investigation and all the court actions, must have cost hundreds of thousands of pounds. But it was an historic affair.'

Further in his praise of past

co-operation with the police, Webster cites the attitude of Sir Robert Mark, and later David McNee from the Metropolitan Police, and the police in Blackburn, Bradford, Wolverhampton, Birmingham, Leicester, Bristol and Manchester. He also quotes a Special Branch officer as saying: 'Martin, don't you worry about marching wherever you like or about the number of police that may have to be mobilised. The Commissioner can call on all the police forces throughout the country if need be. We are not interested in your political beliefs, just so long as what you do is lawful.'

The attitude of the police

Webster dates the change in police attitude from December 1977 when he was invited by the Durham Constabulary to address a course on public order for senior police officers.

He writes: 'At this time one of Durham's deputy chief constables asked me to notify him in advance of any event involving the NF which might require police attention'. Webster took advantage of this offer by notifying an assistant chief constable of Durham of a proposed visit to speak at Durham University Union on immigration controls in April. This debate was later cancelled after the Assistant Chief Constable had spoken to the President of the Student Union. He also quotes the case of the Chief Constable of Bedfordshire raising the question of a NF meeting which led to Luton Council refusing the use of the town hall.

But Webster particularly cites the ban on marches in Greater London in April as 'at variance with previous Scotland Yard policy' and details various instances since then of the police's new anti-NF policy — banning of a proposed national St George George's Day march in Leeds; lack of police protection at a local election meeting in Leeds and at a by-election meeting in Brixton (with Webster's own arrest for obstruction).

Webster concludes that 'police policy

towards the NF has changed from one of impartiality and fairness to a policy of bullying and intimidation I can only assure Mr Rees that I will not allow myself to be intimidated either by his threats or by his policemen. And I am sure that the membership of the NF is of the same mind. We do what we do because we believe we are doing right'.

The success of local campaigns to limit the NF's activities on the streets and to hold meetings has one serious consequence. Mr A Sivanandan, the Director of the Institute of Race Relations, said in a statement recently that this 'only succeeds in driving the fascists off the streets into the crevasses and ratholes of the inner cities in which they breed — where they then resort to vicious and violent attacks on the black community'.

SIGNALS INTELLIGENCE

Signals intelligence is intelligence derived from the reception and analysis of foreign communications and other electronic transmissions.' This was how Colonel B, the prosecution's chief witness at the committal proceedings of Aubrey, Berry and Campbell, described SIGINT — the commonly used name for signals intelligence.

'Reception' is undoubtedly a euphemism, since the collection of this intelligence is an active process, carried out by a number of national agencies on a worldwide scale. It involves interception and analysis of electronic, radar and radio communications; the intelligence collected ranges from immediately applicable military data to economic and political communications.

The most important SIGINT operation in the Western world is that of the United States, run by the National Security Agency (NSA). It is closely linked with the British operation controlled by Government Communications Headquarters (GCHQ) in Cheltenham. The basis for British-USA co-operation was

laid in 1947 with the signing of a secret agreement, the UKUSA Pact. The pact, which was also signed by Canada, Australia and New Zealand, established that the signatories would share both intelligence-gathering operations and the intelligence gathered. The world was divided into areas, so that, for example Britain had, and still has, responsibility for monitoring Europe west of the Urals and Africa. However, the UKUSA Pact was not an agreement between equals; American dominance was reflected in the terms of the agreement, which distinguished between three categories of intelligence consumers. The USA was, and remains, the First Party and as such receives all the information gathered by the other parties. The other initial signatories are the Second Parties, while NATO allies and Japan who have subsequently signed the agreement are Third Parties. American dominance is thus ensured by the terms of the Pact.

However, according to an article called 'US Electronic Espionage: A Memoir' which was written by a former NSA communications analyst and appeared in the American magazine *Ramparts*, the USA systematically violates the pact by also monitoring its UKUSA allies' communications.

NSA is believed to intercept British business communications from somewhere in eastern England; British diplomatic communications are monitored from Chicksands in Bedfordshire; low level communications from Whitehall are monitored by the NSA unit at the American embassy in London. Similarly NSA has been regularly monitoring French communications from a base in Britain ever since De Gaulle withdrew France from NATO and expelled NSA from its bases in his country in the 1960s.

The NSA, which was created in 1952, is the largest intelligence-gathering agency in the world. Its activities include internal surveillance detailed in *The Lawless State* Penguin, USA, 1976, ch 5) as well as the gathering of overseas intelligence. SIGINT is the major, but not the sole, aspect of

its work. (Another important aspect is COMSEC, or Communications Security, which is concerned with the development of security equipment, codes, cipher-writing equipment and so on). In its SIGINT operation, it intercepts, deciphers and analyses the military, diplomatic and commercial codes of every nation; there were periods in 1960s when the NSA was intercepting and taping all trans-Atlantic and trans-Pacific phone calls (*Ramparts*). The NSA provides an estimated 80% of US intelligence. However, it has been able to maintain a lower profile than other intelligence agencies like the CIA, since it does not formulate policy.

The structure of the NSA

From its headquarters at Fort George Meade in Maryland, the NSA controls an empire of 2,000 listening stations spread over five continents, with a civilian staff of over 10,000, backed up by an even larger number of military personnel. The civilians are mainly employed at Fort Meade on analysis of the intelligence, and the military personnel predominantly employed in the collection of data from the listening stations. The military are drawn from the cryptologic agencies of the three services; the Naval Security Group (NSG), the Army Security Agency (ASA), and the Air Force Security Service (AFSS). Amongst the key listening stations are Brindisi in southern Italy, Souda in Crete, Karmasel in Turkey, Berlinhof and Darmstadt in West Germany, and Chicksands in England. The NSA has three sizeable bases in Britain, of which Chicksands is the largest. Some 200 operatives from AFSS are employed there, intercepting and analysing the communications received on its Flare Nine radio monitoring aerial, which is 500 metres wide and 20 metres high. A second base is at Edzell, north of Dundee; it is staffed by members of NSG. The third major base, a satellite receiving terminal run by the ASA, is at Menwith Hill near Harro-

gate, Yorkshire.

The British signals operation

The British signals intelligence operation, run by GCHQ is similar to, though smaller than, that of the United States. A recent estimate put its minimum cost at £100 million per annum (*Hansard*, 25/5/78). GCHQ has its origins in the wartime Government Code and Cypher School at Bletchley Park, Buckinghamshire. At its peak the School employed upwards of 6,000 people in its efforts to break enemy ciphers. Although it was not made public until thirty years later, the school successfully developed the Colossus series of computers, which enabled the British to penetrate the daily changing key to the German Enigma cipher-writing machine.

After the war the school was reorganised as GCHQ, and moved to its present home in Cheltenham in 1953. Through its director (Sir Leonard Hooper 1965-73 now the Co-ordinator of Intelligence in the Cabinet Secretariat Bill Bonsall 1973-), is nominally responsible to the Foreign Office. However, its links with the Cabinet Secretariat appear stronger, and in practice are more likely to be the ones that count. The director of GCHQ also sits on the Defence Intelligence Committee (DIC, formerly known as JIC) which is a co-ordinating committee collating reports from the Defence Intelligence Staff (military intelligence), MI6 (external intelligence and security) and MI5 (internal security). DIC's role is to co-ordinate policy-making and to supply ministers with intelligence on critical matters. Its sphere of action extends beyond defence in the narrow sense to include political and economic matters. Its chairman has overall responsibility for intelligence and strategic affairs.

GCHQ controls an estimated 50 listening posts around the world, whose location reflects both Britain's colonial history and current economic and political priorities. There is a base in Cyprus

where a small part of the island was retained as 'British sovereign territory' when the island was granted independence in 1960. There are also bases in Hong Kong, Singapore, Oman, Belize, St Helena and Botswana. As with American SIGINT, the operation has both civilian and military personnel. The civilians are employed mainly at GCHQ, on analysis, deciphering and translation. Their number was recently estimated at 4,000 by Robin F Cook MP (*Hansard*, 25/5/78). The frequent advertisements for linguists to work at GCHQ confirm the wide range of countries whose communications are intercepted; they include Japan, an economic ally, Italy a military ally, and Sweden a neutral country. This suggests that Britain like the USA, violates the terms of the UKUSA Pact.

As far as military personnel are concerned, members of all three services are involved in manning Britain's listening stations. In the Army some regiments of the Royal Corps of Signals (RCS) collect the data, and with members of the Intelligence Corps do low-level, on the spot analysis, before the information is passed on to GCHQ for fuller analysis and evaluation. The RSC's 9 Regiment, based in Cyprus at Ayios Nikoloas, and 13 Regiment, stationed in West Germany near the East German border, are two key units involved (*Leveller*, May 1978). In the Royal Navy, most warships possess the capability of intercepting communications from wherever they are in the world. Similarly, some Royal Air Force planes and bases are used for monitoring purposes.

Computers and ciphers

The collection of signals intelligence is a highly technical operation, both for interception and for deciphering of communications. The Enigma machine, which was a very simple cipher-writing machine, required a relatively advanced computer to break its ciphers. Since then, the production of ever more sophisticated

ciphering machines has necessitated the development of correspondingly more advanced computers for deciphering. The NSA has been in the forefront of computer research and design, and some of the world's most sophisticated computers are employed in SIGINT work. The main computer at GCHQ is an American IBM machine. However, although all ciphers are theoretically breakable, it seems that between the Eastern and Western blocs the time and expense of the computer work involved in deciphering is so great that in practice the ciphers have become virtually impenetrable.

This technology is confined to the most developed nations. Third world countries, and even second-rank European powers, do not have the technology enabling them to write such sophisticated ciphers. Western industrialised nations have supplied their own outdated monitoring and analysing equipment to third world countries.

Indeed, many third world governments have been using slightly improved versions of the German Enigma machine. Their armies and foreign ministries, ignorant of the vulnerability of the ciphers produced by these machines (since it was not revealed until recently that Britain broke the Enigma ciphers during the 1939-45 war) used them and probably still do, for their most secret signals which could therefore be read with relative ease by Britain and the USA. (*New Scientist* 13/7/78).

FREEDOM BLUE CROSS

A conference in Brighton in June brought together representatives of right-wing organisations, multinational companies, journalists and academics specialising in defence, and ex-military personnel. It was an attempt by a small group of long-standing anti-communists to enlist the financial support of industry in their campaign to restore international relations to the conditions prevailing in the mid-fifties

The main sponsor was the National Strategy Information Center, a think tank of retired intelligence and military personnel, and right-wing academics which is based in Washington DC. British organisations sponsoring the conference included the Institute for the Study of Conflict (ISC) and the Foreign Affairs Research Institute (FARI).

Amongst British industrialists present were senior employees from Taylor Woodrow, Tate and Lyle, Barclays and National Westminster Banks, Vickers, British American Tobacco, and STC (the British subsidiary of ITT). Not all those attending signed the 'Brighton' declaration' which the conference adopted. The declaration was a response to the alleged 'destruction of the CIA'. It called for private efforts and money to be made available to enable the West to regain the initiative in particular on 'intelligence, information and counter-information'. The conference put forward proposals for the creation of an international 'Freedom Blue Cross' to finance such activities.

Political and popular pressure has recently limited the anti-communist covert publishing and media operations carried on by state agencies such as the CIA and the British Foreign Office's Information Research Department. These activities are no longer universally accepted as legitimate, though many still support them. The firms attending the Brighton conference were being asked to fill this gap and finance such activities directly.

Concretely, this amounted to a demand that the firms should increase their subsidies to the organisations which sponsored the conference, all of which are heavily involved in the propaganda operations.

Most of the firms represented are well-known 'political' firms, already donating large sums to such bodies as the Economic League, Aims of Industry and the Conservative Party. All are British-based multinationals. The academics and ex-military people came from various western European countries, the United

States, South Africa and Japan.

The potential applicants for business cash include ISC which was founded in 1970 by right-wing journalist Brian Crozier. It had its origins in a CIA front news agency, Forum World Features (FWF) of which Crozier was chairman. FWF folded in 1975, but Crozier was head of both for five years, and is still in charge of ISC, (see *State Research Bulletin* No 1 for more information).

They also include FARI which was founded in February 1976 by Geoffrey Stewart-Smith. Stewart-Smith, a former officer in the Black Watch Regiment, and Conservative MP for Belper in Derbyshire from 1970 to February 1974, has a long history of involvement with right-wing propaganda groups. He was the founder in 1962 of the Foreign Affairs Circle, a parliamentary pressure group of right wing commentators and ex-military personnel. It publishes the monthly *'East West Digest'*, which is distributed free to all MPs. This documents the alleged activities of the Russian world conspiracy, both internationally and in this country through its British front organisations — Communists, Trotsyists, anarchists, and the Labour Left.

Foreign Affairs Circle was the British section of the World Anti Communist League (WACL), largely financed by South African and South Korean interests, until 1974 when Smith and the Foreign Affairs circle broke away. The break was ostensibly over disagreements about unpaid bills from WACL's 1973 London Conference, but it seems that Stewart-Smith found WACL too right wing even for him.

Stewart-Smith is also a director of Foreign Affairs Publishing Company (FAPC) which has published and continues to publish, books on similar themes. Many have introductions by leading Conservatives, including in one case Sir Alec Douglas Home. Its last two publications were an attack on the 'marxisation' of the World Council of Churches by a member of an obscure right wing group, the 'Christian Affirmation Cam-

paign', and the re-issue of a broadsheet on communist infiltration of the Labour Party. Much of the material in this was similar to that used by Ian Sproat, the Conservative MP who has been a business partner of Robert Moss, and predictably the broadsheet was extensively reviewed in *'Free Nation'*. FAPC has also distributed material from ISC and similar organisations abroad.

The Foreign Affairs Research Institute represented a coming together of Stewart-Smith's groups with Crozier's. Stewart-Smith became director of FARI.

On the FARI Governing Council are Brian Crozier, and former NAFF Director Robert Moss. FARI's Chairman is Sir Frederic Bennet, the Conservative MP and NAFF Council member, who was also host at last year's Bilderberg Conference in Torquay. Council members include five other Conservative MPs: Julian Amery a former junior minister in Defence and the Foreign Office; Julian Critchley, chairman of the Defence Committee of the Western European Union; Ian Gilmour, former Secretary of State for Defence and his party's present spokesperson on the subject; Philip Goodhart and Tom Mormanton.

Another Council member is Air Vice Marshal Stuart Menaul, the former Director of the Royal United Services Institution, the Ministry of Defence sponsored think tank. He is also a member of the ISC's council.

Perhaps, surprisingly, Lord Chalfont is also a member of the FARI council. While he has moved noticeably to the right, Chalfont has hitherto steered clear of organisational links with such well-known right wing groups as ISC and NAFF.

FARI has published a series of abstracts, mainly book reviews and short articles on one theme: the growing Soviet threat to the west in its internal and external versions. They are expensive at 50p each for five to ten duplicated pages. The authors have included council members, Stewart-Smith and his Deputy Director, Ian Grieg, and Patrick Wall MP.

The theme of Freedom Blue Cross, if it ever surfaces again, will presumably be that all attempts to change the world, including this country, are sponsored by Moscow.

REVIEWS

MCNEE MAKES HIS MARK

REPORT of the Commissioners of Police of the Metropolis for the Year 1977. HMSO, Cmnd 7238 (June 1978). £2.10. After a quiet first year in office Mr David McNee, the Commissioner of the Metropolitan Police, has finally come out of his shell with the publication of his annual report. The themes are similar to those raised by his predecessor, Sir Robert Mark, who did not simply administer law and order in London but also sought to change the nature of the law by political intervention.

McNee gives a good example of this in the course of his welcome to the setting-up of the Royal Commission on Criminal Procedure. His main point is that the 'balance' between the rights of the suspect and the powers of the police favours the suspect, (a favourite topic for Sir Robert's speeches). But he is keen to see the Commission is not tricked by the 'do-gooders' as they sidle out of their armchairs.

'Before *well-meaning people* approvingly cite procedures in other countries for the protection of persons charged with crime, they must ask themselves if the resulting quality of life in those countries is what we would wish here. An excess of liberty which makes *ordinary people* fear to leave their houses is not freedom under the law as we know it and libertarians

should proceed with caution.' (My italics).

Oddly, the country whose criminal process is likely to be most influential in the Commission's discussions is Scotland, with its separation of investigation (police) from prosecution (procurator fiscal). Is it perhaps the quality of Scottish life from which McNee (who previously headed the Strathclyde police force) seeks to protect the Londoner?

But the fact is that what McNee is saying is palpably *untrue*. Whatever the risks of London life, people do not, in the overwhelming majority of cases, 'fear to leave their houses'. Nor do those who seek a strengthening of suspects' rights rely particularly on foreign examples to sustain their case. Yet this was the section of McNee's report which scooped the press headlines when it was published.

Grunwick

There are many interesting inaccuracies in the report which show us more about police consciousness than about the real London world. Discussion of the Grunwick dispute, McNee refers thus to the start of the mass picket in June 1977:

'The strike committee, *prompted by the Socialist Workers Party*, announced a 'week of action' starting on the 13th June in an attempt to break the company's resistance to union recognition'. (My italics).

Grunwick looms large in McNee's report. Public order and the rise in the crime rate are, he states, the main problems facing an undermanned and underpaid police force. Grunwick is described as 'the most serious of the public order situations during the year'. But by what twisting of facts does McNee believe that the SWP was behind the mass picket? It is a distortion which would be extraordinary if it were not one of several, all designed to ostracise and discredit political protest by making it conspiratorial and to legitimate all police responses to it.

For example:

'The final trial of strength came on 7th November when a "day of reckoning" was organised. This attracted some 7,000 to 8,000 supporters, *many of them militant students*, who made violent attacks on police cordons.' (My italics).

Or, regarding the Haringey anti-NF demonstration on 23rd April 1977: '... a counter-demonstration organised by the Socialist Workers Party, the International Marxist Group, the Communist Party of England and others.'

These 'others' included the Labour Party (the Mayor of Haringey and Labour councillors were on the demonstration at Duckett's Common) and even Conservative members of the Borough Council. But such facts do not suit McNee's purpose of denying the legitimacy of public demonstrations.

Public order is central to the Report. But is it really the dominant operational burden that is claimed? During 1977, 51,692 working days were lost to the Metropolitan Police through injury on duty. Of these, 3,482 were due to 'injuries received while controlling crowds'. This category includes not only events like anti-NF demonstrations and Grunwicks but also the control of football crowds. Furthermore, the 3,482 figure compares with 6,235 days lost due to motor-cycle accidents when the injured officer was riding on duty and 6,342 days lost due to accidents when the injured officer was on duty in a car.

In addition, a further 6,057 days were lost through officers' off-duty injuries in sports and games. The point here is that public order is *singled out* as creating intolerable burdens on police manpower. The facts do not justify this singling-out. The purpose of highlighting public order is quite simply to make a political point.

Public relations exercise

The appearance and contents of a Commissioner's Report have not changed much since 1969. Some information (but not much) can be gleaned about operational and organisational matters —

though not about the Special Branch, of course. But the Reports have never been designed to inform beyond the limits laid down by the law and the Home Office and one is bound to wonder how many people ever read them at all.

Piecing together the scraps of information that are let fall, a picture of the police's increasing technological dependence emerges. Operational matters get slightly more attention. The Special Patrol Group stopped 14,018 people in the street last year, compared with 18,862 in 1976, but they were only concentrating on 'anti-crime patrols' for the latter half of the year, so the decline may be misleading. But the sharp decline in the number of stops and searches under the Misuse of Drugs Act does deserve notice.

The personal touch of Commissioner McNee can probably not be seen in a document of such an established and unchanging format as the Annual Report. Its real function — providing a political platform for the country's senior policeman — has become equally sophisticated and McNee, for all his distortions, is rapidly becoming as adept a media manipulator as his predecessor. MK

A NUCLEAR FAMILY

The Nuclear Axis, by Zdenek Cercenka and Barbara Rogers. Julian Friedmann Books, London. 464 pp. £7.95.

This book is likely to pass into history as one of the few books which record events and in doing so, change both subsequent events and our perception of them. It brings together a vast amount of detailed information, relating technical, political and military developments which stretch back nearly thirty years, and makes its basic point without any doubt. By cooperating, secretly, in nuclear research, West Germany and South Africa, independently of other western countries, both now possess nuclear

capability, and, in the case of South Africa at least, nuclear weapons.

The book traces the basic continuity of the technical political and military establishment in West Germany with the industrial conglomerates which supported the Nazi regime. West Germany's first post-war Chancellor, Konrad Adenauer, agreed that West Germany would never produce or control its own nuclear weapons. This was part of the deal for the conventional re-armament of Germany, an event which is coming more and more to be seen in its true light as a turning point in post-war politics. The nuclear ban is written into the Federal German constitution, but has been systematically subverted by German industrialists and civil servants. South Africa is subject to a similar political alienation from the Western capitalist community, by reason of its internal political arrangements as West Germany is because of its history. The two outcasts have conspired, in both their interests.

The handing over of nuclear enrichment technology from West Germany to South Africa is examined at length, in part with the help of documents which disappeared from the South African Embassy in Bonn. Rarely can there have been a better justification for theft, if theft it was.

The book also shows how the nuclear collaboration between the two nations has been extended, to Israel and Brazil, and potentially to Iran, a demonstration of how the logic of capitalism defies treaties and agreements designed to limit its more terrifying aspects. It also calls into serious question the exact role of British firms, notably RTZ, and the British Government, in facilitating arrangements which have enabled South Africa to control the necessary raw materials.

This is a timely book, and it is to be hoped that the lessons which it contains, and the light which they shed on events of the last 30 years, will have the political impact which they deserve. The political forces which plunged the world

into World War II, and the economic interests behind them, are alive, and armed with atom bombs. PK.

BOOKS AND PAMPHLETS RECEIVED

This listing does not preclude subsequent publication of reviews.

Law and the Rise of Capitalism, by Michael E. Tigar and Madeleine R. Levy. Monthly Review Press, New York, November 1977. 346pp. Cloth £9.45.

Police Strike 1919, by A.V. Sellwood. W.H. Allen, London, 1978. 214pp. Cloth £5.95.

The Killing of the Iman: South African Tyranny Defied by Courage and Faith, by Barney Desai and Cardiff Marney. Quartet Books, London, 1978. 148pp. Paper £1.95.

Black Fire! Accounts of the Guerrilla War in Rhodesia, by Michael Raeburn. Julian Friedmann Publishers, London, 1978. 243pp. Cloth £6.95.

From Immigration Control to 'Induced Repatriation', by A. Sivanandan. Race and Class pamphlet, London, 1978. 8pp. 20p.

Malaya: The Making of a Neo-Colony, edited by Mohamed Amin and Malcolm Caldwell. Spokesman Books, Nottingham, 1977. 265pp. Paper £2.95.

The Break-Up of Britain: Crisis and Neo-Nationalism, by Tom Nairn. New Left Books, London, 1977. 368pp. Cloth £7.50.

Beyond the Limits of the Law: A Comparative Study of the Police in Crisis Politics, by Tom Bowden. Pelican, London, 1978. Paper £1.25.

Private Police, by Hilary Draper. Pelican, London. Paper 95p.

Law, Order and Politics in West Germany, by Sebastian Cobler. Penguin Special, London. Paper 90p.

BACKGROUND PAPER

THE ECONOMIC LEAGUE

enterprise' and opposing 'subversives' in industry and politics. Its aims, drawn up in 1919, remain the same today:

'to discourage political interference in industry; to refute unsound economic doctrines based upon sentiment and false assertions; to oppose all subversive elements which attempt, by stirring up strikes and disaffection, to interrupt the smooth working of the industrial machine; to counter attempts to damage our national security. . . .'
(taken from the Report of the 12th Annual Meeting in 1932).

The creation of such an organisation, bringing together leading industrialists and ex-intelligence men, at this point in time was one of the responses to the growing power of the working class through the trade unions and the Labour Party. Two years after the October Revolution, one year after the bloodiest war in world history, was a time when the British ruling class and the Conservative government prepared for the worst to happen (see, for example, *Whitehall Diary*, Vol.1, 1916-1925, written by Thomas Jones, the Deputy Secretary to the Cabinet).

Details of the League's early history are difficult to untangle, because they themselves seem to have re-written parts of it. The 5th Annual Review (1925) states that the name was changed from **National Propaganda** to the **Central Council of the Economic Leagues**. However, their official history, *Fifty Fighting Years*, published in 1969 ignores this fact and says instead that the organisation's original name was **Economic Study Groups**. A similar ambiguity underlies the League's functions. Whatever its covert activities, the League throughout its history has presented itself as an organisation which supports 'free enterprise' and uses educational activities to fight its opponents.

The Economic League is one of a network of employers organisations, which includes AIMS (formerly called Aims of Industry, then Aims for Freedom and Enterprise), British United Industrialists and Common Cause. All of them engage in propaganda supporting 'free enterprise' and attacking 'extremists' in the trade unions. However, the Economic League (and the much smaller Common Cause) offer an additional service to industry — the maintenance of a central register of active trade unionists. Several thousand companies use the League's register to vet prospective employees in order to exclude 'militants' from their workforces.

This Background Paper looks at the history, structure and practices of the League, and in particular at its 'black-listing' service to industry.

The origin and growth of the League

The League was founded in 1919. Admiral Sir Reginald 'Blinker' Hall, ex-chief of the Naval Intelligence Department (at that time the most powerful intelligence agency) called a meeting of industrialists in a room in Dean's Yard Westminster (*Fifty Fighting Years*, Economic League, 1969). Among those who attended were leading representatives of heavy industry — Evan Williams, Chairman of the employers' Mining Association; Cuthbert Laws, the director of the Shipping Federation; Sir Alan Smith, the director of the Engineering Employers Federation; Arthur Balfour, later Lord Riversdale, and a leading figure in heavy industry in Sheffield; and John Gretton, a Conservative MP.

They agreed to set up a new organisation which would hold meetings and distribute leaflets supporting 'free

In the early 1920s the League directed its attack against the newly-formed Communist Party of Great Britain, the parliamentary Labour Party, and the unions. In 1921, the year of the first national miners' strike, the League forecasted that 'a difficult and perhaps prolonged period of tension in industrial relations lay ahead, and the need (was there) for an organisation that would seek to prevent the exploitation of this tension by extremists' (*Fifty Fighting Years*, 1969).

By 1924, the year of the first (minority) Labour government, the League had built up a national network, with groups in 10 areas covering the whole country. In that year the League held a total of 7,115 meetings promoting the virtues of free enterprise and attacking the rights of workers to organise in trade unions. They held 539 meetings in Barrow-in-Furness (shipbuilding), 1191 in the North-East (coal mining and shipbuilding), 1091 in Sheffield (steel), and 751 in Leeds (textiles and general engineering) (*5th Annual Meeting*, 1925).

In 1925, with inflation beginning to run riot in the Western money markets, the League became the British representatives of the International Etente. This was an organisation based in Geneva which included leading industrialists from 21 European countries. The Etente was set up to 'counteract the sinister influence of the 3rd (Communist) International' (*6th Annual Meeting*, 1926).

The slogan 'Every man a capitalist' was adopted by the League in 1926, the year of the General Strike. They were one of the many groups active in trying to undermine the strike. They also sent daily reports to the Prime Minister, Stanley Baldwin, compiled by each area office (*Fifty Fighting Years*, 1969).

Another example of contradictions in their recorded history concerns the backgrounds of some of the League's leading lights in the 1930s. *Fifty Fighting Years* gives, as one of the League's achievements, an account of its fight against the Nazi Fifth Column in Britain — and in particular

with the national-socialist inclined Anglo-German Fellowship. In fact three of the League's first council members, Lord McGowan, Sir Harry Brittain and Viscount Runciman, were active in the Fellowship (*Labour Research Department*, 'Big Business and Politics', LRD, 1974).

The Director of the Economic League from 1926 to 1945 was J. Baker White. During the Second World War Baker White served in military intelligence as a Major, a job which he recounts as being well qualified for. He told the Director of Military Intelligence at the War Office that: 'I was in publicity work as Director of the Economic League which fights Communism in industry and conducts economic education' (*The Big Lie*, J. Baker White, Evans Bros Ltd, 1955). In 1941 he was promoted to Lt. Colonel and later became a member of the Political Warfare Mission in the Middle East. In 1945 he became Conservative MP for Canterbury, and a member of the Central Council of the League. Colonel R.R. Hoare took over as the Director (*30th Annual Report*, 1950).

In this pre-war period the League was supported by, and worked in the interests of, the owners of heavy industry. However, in the post-war period, with heavy British industry unable to sustain itself against overseas competition (especially from the USA) and the 1945 Labour government's commitment to nationalisation, the League's battle against nationalisation became concrete. The first of the League's supporters to disappear were the coal mine owners after nationalisation in 1945. Throughout the 1950s and early 1960s they campaigned against a similar fate for the steel industry, but this too was taken into state ownership in 1968. As a result the League had to quickly search for alternative sources of finance (*Fifty Fighting Years*, 1969).

More recently one of the League's prime sources of finance came under threat when the Labour Party adopted proposals for the nationalisation of the big four banks (see *Bank On It*, Economic League leaflet No 10, 1977).

The targets of the League's propaganda and activities has, throughout its history, been directed at 'subversives'. This term embraces members of the Communist Party, trade union activists, socialists in the Labour Party, and many radical groups. In short to defend the free enterprise profit system from those actively opposed to it, whether on the shop-floor or in government.

Structure and organisation

Almost sixty years after its formation the League is a well-established and well-financed organisation. The League's six regions are governed by a Central Council of 41 members. The President is Mr. H.I. Matthey, of Johnson Matthey and Co. (metals industry), and the Chairman is Mr. Saxon Tate, of Tate & Lyle. The four Vice-Presidents are Sir David Barran, whose directorships include ones in Shell, British Leyland, British Steel and the Midland Bank; Sir Halford Reddish, chairman of Rugby Portland Cement, a director of 5 other companies, and for a long time President of the Rugby Conservative Association; Sir Robert A. Maclean, chairman of Stoddard Holdings; and Mr John S. Dettmer (previously the Director of the League). Together the 41 Council members are directors of 231 companies. (A full list of the Council members is given in Note 1).

Since the 1920s the League has rationalised its structure. It now has six area offices: London and S. Eastern; Central Midlands; Western; N. Western; N. Eastern and Scotland. Attached to these is a large nationwide network of full time and part time lecturers, pamphlet distributors, administrators and 'information and research' staff. The number of full-time staff is difficult to gauge since in their annual reports the League leaves out of its figures the office staffs of the London headquarters and the area offices, and the information and research staff. Even so, by December 1977, the stated operating staff including full-time leaflet distributors (but

excluding administrators and researchers) was 101 (*58th Annual Review*, 1977). However, a League spokesperson said recently that the total number in fact was nearer 150.

Sources of finance

To pay for this staff and for their numerous activities, the League relies on donations and members' subscriptions. Their income for 1977 was £660,000 (*58th Annual Review*) — £80,000 more than for 1976 (*57th Annual Review*). The League's income has kept pace with inflation: their income for 1972 and 1974 was £350,000 (*53rd Annual Review*) and £450,000 (*55th Annual Review*) respectively.

The details of this money are difficult to untangle. Subscriptions are available to the League's various publications. In addition, there are indications that League members can subscribe to its 'special services', whose object is 'to watch and report upon the activities of individuals and organisations whose operations are directed against the best interest of subscribers. . .' This quotation is taken from a leaflet for private circulation, which also included the information that the annual subscription 'is not less than 5 guineas, the basis being 6d per cent on the annual pay roll' (*LRD*, Vol XXIX No 9, 1940).

The second source is donations from companies, and it is not possible to identify the full list of contributors. The 1967 Companies Act made it compulsory for companies to register their donations to political organisations. The League has always denied that its work is in any way political: political being defined by them as connected to existing political parties. In 1969 the Board of Trade decided not to prosecute Lloyds Bank which had failed to disclose its £2,000 donation to the League, and thus effectively accepted the League's self-definition (*The Times* 1/12/69). Although many companies do register their donations to the League (a full list of them is appended), it is possible

that some companies now use this loophole to avoid declaring their contributions. In addition the 1967 Act only covers donations over £50. The number of smaller contributors to the League is therefore not known.

The top industrial donors

In 1977 sixty-three companies are known to have given a total of £94,486 to the League. The top industrial donors included Tate & Lyle (£7,400), Imperial Group (£7,000), and Shell Petroleum Company (whose last known donation was £6,944 in 1976), the National Westminster Bank (£6,075), Barclays Bank (£5,400), the Midland Bank (£5,255) and Lloyds Bank (£4,320).

The fact that the top four banks are on the list is worth noting. In 1935 two of the five big banks, Barclays and Westminster, started subscribing to the League. Today, all the 'big four' make substantial contributions. None of these banks donate to any other right-wing or employers' organisation — which is unusual in a list of this nature where most companies also give to organisations such as the Conservative Party, Common Cause, Aims and, possibly, British United Industrialists. (Contributions to this last organisation need not be registered.) The banks' contributions seem to be planned. 'All paid the same sums in 1975 and 1976, and were graded roughly in the banks' order of size' (*Investors Chronicle*, 29/7/77). Four of the banks' directors sit on the League Council: Sir David Barran of the Midland, S.J. West of Barclays and A. Chamberlain and A.B. Hampton of Lloyds. The League Council has a long standing connection with directors of these banks. In 1974 the representative from Barclays was Philip Toosey and from Lloyds Sir Rupert Speir and Viscount Runciman (deputy chairman). The actual personnel on the Council may change, but the interests they represent do not. The banks, financial trusts and insurance companies contributed over 50% of the League's known income in

1977. This reflects the changed base of the League's income, from heavy industry in the pre-war period to finance capital today.

The work of the League can be divided into three areas. The first, and most covert, is the maintenance of a central index of active trade union members. The second is the distribution of general propaganda, which includes extensive leafletting and the publication of various newsletters. And, the last is to provide a specialised service for members only.

'Blacklisting'

Foremost among the services the League offers to thousands of firms in the maintenance of a central register of active trade unionists. On the basis of information received from the League, firms are known to have refused employment to prospective employees. Such so-called 'security checks' are carried out without the consent or knowledge of the applicants and represent a grave threat to the rights of the individual.

As early as 1925 the League was emphasising the importance of an 'intelligence' network: 'One of the first tasks initiated by Sir Auckland Geddes was the compilation of a chart and dossier of socialist and subversive organisations and their "interlocking directorates"'. Arrangements are in hand for a permanent clearing house of information in connection with alien organisations and individuals. A document containing a considerable body of information on 'red' ramifications and methods has already been circulated in confidence to District Economic Leagues. Supplements to the documents will be circulated from time to time' (*5th General Report*, 1925).

The League has always denied that it keeps a 'blacklist' of active trade unionists but an increasing number of instances have come to light. In 1961 the *Daily Express* put it simply: '(Firms) can apply to the Leagues headquarters opposite Buckingham Palace to check if a prospective employee is listed as a

Communist sympathiser' (12/1/61). Subscribing firms (there were 4,500 of these in 1972) are provided with a code number which gives them telephone access to the League's files. One large donating firm said that the League 'does a hell of a lot of security vetting for us on political grounds, this is their sole use to us, and for x pounds a year, it's good value for money' (*Observer* 16/10/69).

In 1970 the League seemed to be advertising its service around the building trade — which is notorious for using various 'clearance' systems. A contractor was informed that he could ring Major Newman of the Economic League '... and be told whether a prospective employee is a troublemaker' (*Building Design* 8/5/70). When questioned Major Newman denied that the League kept any files.

On the 1st March 1974 workers occupied a Strachan factory, which made van bodies for Ford, in Eastleigh, Hampshire. The occupation was an attempt to re-open the factory after a decision by Strachan's parent company, Giltspur Investments, to close it. During the sit-in senior management at Strachan's admitted that they had had '... a number of meetings with detectives to pass on details of what particular individuals had been doing' (*Sunday Times* 11/4/74). It was revealed that the Special Branch had been watching, and reporting on, the factory workers since August 1973. At the same time it was disclosed that Strachans had been vetting employees through the Economic League, '... workers at the factory overheard management ringing a secret number (686-9841) and asking for information on shop stewards at the works. The workers then rang the number, who proceeded to give information about a steward, claiming that he was a Communist supporter who once stood as a CP local election candidate. The worker denied he was ever a CP supporter or a local candidate for them' (*Time Out*, May 1974). A *Guardian* reporter who also dialled the same number using the Strachan code of 520 confirmed that it belonged to the

Economic League (*Guardian*, 11/5/74).

In 1977 workers occupied the Greenwich factory of Reinforcement Steel Services, a subsidiary of the state-owned British Steel Corporation. During the occupation workers found that management had been keeping secret files on employees, including information on their political activities. They discovered a confidential report by the works manager Mr R. Roebuck concerning investigations of employees. Attached to the front of the reports was a handwritten note (undated) from Reinforcement Steel Services' divisional headquarters in Sheffield which said 'We are advised to keep meticulous records of anything that happens concerning some individuals so as to build up a dossier...'. Investigating a case of alleged sabotage at the Greenwich works management went to both the Special Branch and the Economic League for help. Of two of their employees they say 'Checked through the economic league and found to have no record on their file' and 'No history known through the economic league... in view of the above clearance took him into our employ'. (Confidential report by Mr R. Roebuck to management, 16 Sept 1975).

Recently funeral workers of the Great Southern Cemetery and Crematorium Group, a family group which owns most of Britain's private crematoria, discovered a confidential memo dated 23rd January, 1978 and signed by Barry Field, a Director of the company. It read: 'Before engaging any staff in future, a call should be made to 01-681-7346, code number 555, and they will require the full names, the area of living, date of birth and National Insurance number of the proposed employee. You give him the code number and the name, you do not give the Company's name or mention it. If there is the slightest suggestion of any information held against the proposed employee from this source you do not engage same.' The *Guardian* phoned the number using the Southern Group's code and asked about eight trade

unionists. They were given information on five of the men. One man's record went back to 1951 and, of two members of the Communist Party, a League spokesperson said 'You don't want to entertain these gentlemen . . . (They are) a couple of right villains' (*Guardian* 28/6/78). Further investigation suggested that the League keeps files in its regional offices: an ex-League employee spoke of the Glasgow office having a number of large filing cabinets 'stuffed with cards'. (*Guardian* 29/6/78). Most of the big donors to the League denied knowledge of the blacklisting service. However, Mr Peter Linklater, Shell's personnel director, said of the League: 'They give us pretty good value . . . We are interested in identifying overt opponents of the system to which we are committed. The last thing we want to do is to have political subversives on our payroll or on sites in which we have an interest' (*Guardian* 29/6/78).

Sources of information

There is no doubt that, despite their frequent denials, the Economic League does offer a 'blacklisting' service to its subscribers. What is less clear is the source of their information. League staff doubtless vet numerous newspapers and any names mentioned in them go into the files. Yet there are some indications that the sources are more widespread. In 1937 the *Daily Worker* quoted from some of the League's internal memoranda written by Major R.R. Hoare (then the League's Manchester organiser, and later the national Director), and J. Baker White (then Director of the League). These implied a definite connection between the Manchester police and the League's information service. One, dated the 20th January, said that the Manchester Police, in the person of a 'Detective Eckersley', ' . . . promised to give me (Hoare) as long as I like looking over the Communist industrial file in their office. . . . I am also keeping in touch with the Salford Police; their Communist man having already

called at this office.' (*Daily Worker*, 12/6/37). A March 20th memo also suggested that the police would save the League some trouble by giving them a report of a private Communist Party meeting in Brighton. The League later admitted that all except one of the documents were authentic. The incident provoked a question in the House of Parliament when several Labour MPs asked why the Conservative Attorney-General had not prosecuted the police for infringing the Official Secrets Act. Attempts to get a prosecution came to nothing.

In 1969, Harry Welton, one-time League publicity director, who vehemently denied any blacklisting on several previous occasions, was quoted as saying: 'There's no secret about it. We say we're going to oppose subversion and, by God, we do. It quite frequently happens that trade unionists who feel as strongly as we do about the activities of subversives in their unions will give us information. . . . We get a lot of union information and we also get reports of what is going on at meetings which those inside the meetings would rather we didn't have' (*Observer*, 19/10/69).

In addition, there are some indications that the League also collects individuals' criminal records. An ex-employee of the League's Glasgow office described how prospective employers would be advised against hiring on the grounds that the employee had a previous criminal record (*Guardian* 29/6/78).

The basis on which the League gathers information on the trade union and political activities of workers is tied to their definition of 'subversion'. Quite simply this can be translated as meaning that any strike or demand for higher pay and better conditions represents a threat to profit-making and to the economy of the country.

Propaganda

Each year the League issues a vast quantity of printed material. They leaflet

extensively, giving their 1977 score as 19 million. They have had better years; according to them, the 1974 distribution was 22 million. For 1977 these included leaflets advocating free enterprise banks (called No Joy) free enterprise development of North Sea Oil (called Platform For Prosperity) and one proving that nationalisation discourages investment (First Things First). The leaflets are distributed outside factories and to the homes of industrial workers.

The League also publishes four newsletters aimed at industrial workers and management. The function of each is strictly separated. *Notes and Comments* (140,820 copies) is a general monthly for 'members, management, speakers, writers and students of public affairs'. *News and Views* (38,710 copies) is a quarterly for their younger section — apprentices and young workers. *Super News* (60,305 copies) is directed as supervisory management.

For members only the League publishes its *Two Minute News Review* (113,750) twelve times a year which details cases of 'subversion'. Subjects for 1977 included 'Extremists Plan Disruption in 1977' and 'The Communists Plan Large Scale Agitation' — not so different from the 1974 'The Strife Makers', 'Extremists behind the Building Sites', and 'Left Wing Penetration of Press and TV'. The bulletin was started in 1945 'as subversive activity — mainly emanating from Trotskyites increased' (*26th Annual Report*, 1946) and its function is to name the individual 'troublemakers' as well as to give management access to reporting in the national, trade union and left press.

The meetings run by the League, unlike most of its other activities, seem to have undergone a change over the years. In the 1920s its staff were out on the streets propagating anti-unionism and free enterprise. However, they learnt their lesson. Meetings were constantly broken up by angry workers (*5th Annual Report*, 1925). During the General Strike League teams with vans went round the country advocating a return to work. These had to

be covered in wire netting to avoid stoning. However, after they met with the anger of striking miners they made a policy decision only to intervene in unofficial strikes (*Fifty Fighting Years*, 1969).

These days they are more selective — and usually speak to captive audiences. As part of their service to industry the League started courses for apprentices in 1946 and for supervisors in 1953. The majority of these seem to be held at the request of management at work sites. In 1974, for example, out of a total of over 5,000 courses (3,245 for apprentices and 2,146 for supervisors) only 61 were held centrally (*EL; Some Useful Statistics 1974*). As the 1974 training calendar says 'The Economic League's training services are chiefly run on an in-company basis'. This type of management activity has not gone unopposed. In 1962 shop stewards complained about 'compulsory current affairs lectures run by the employer financed Economic League' (*Reynolds News* 11/3/62).

Links with other groups

The Economic League does not function in isolation. It represents one section of a network of right-wing employers organisations. Blacklisting is not unique to the League. Common Cause, a much smaller organisation, offers the same service ('Big Business and Politics', LRD, 1974). It is well known that building employers keep an up-to-date list of unwanted men (i.e. of union activists) which they pass between themselves.

The League has always had connections with a more respectable group of industrialists — the Federation of British Industries (FBI) which in 1965 merged with two other organisations to form the Confederation of British Industry (CBI). In 1926 the League Council had four FBI members, including FBI President Sir Max Muspratt and Vice-President Sir Edward Manville. Other FBI and CBI members have also served on the League Council.

But the support is more than just

through inter-linking personnel. In 1948, and again in 1950, the FBI issued a letter to all its member companies calling for support for the Economic League and Aims of Industry. In 1972, worried by the miners' strike, the CBI issued a similar call (this time including three other organisations — the Institute for the Study of Conflict, Industrial Research and Information and Common Cause). But the CBI does more than appeal for support. In October 1972 it twice lent its rooms for Economic League conferences, once for a conference of senior management (*Action*, Economic League, 1972), and one 'which (dealt) with current trends in extremist activities' (*ibid*).

In 1973 the League's *Notes and Comments* (No 855) was based on the ideas of Michael Clapham, president of the CBI. In 1976 a confidential internal CBI memo details the extent to which its thinking on subversives tallies with that of the Economic League. The document says that 'employers and managers have a legitimate interest in seeking by legitimate means to defeat the efforts of those whose activities run counter to the objectives of their business as they see them' (*Morning Star*, 31/1/76). These 'legitimate means' include consulting both the Economic League and Common Cause who are 'seeking to help employers in the very necessary function of identification of and preventive warning about individual wreckers' (*ibid*). In this way the 'blacklisting' service gets promoted.

Another organisation which is connected with the Economic League is Aims. Again there are personnel tie-ups, and some firms manage to straddle the two organisations. Tate & Lyle, the Economic League's top current donor, has neatly divided its effort. While Saxon Tate is the League's chairman, the Lyle side, represented by Sir Ian and J.O. Lyle are prominent in Aims of Freedom and Enterprise. Tate & Lyle only disclose, in their reports, contributions to the Economic League. Other companies do fund both organisations. These include Guest Keen and Nettlefolds, Rank Hovis

McDougall, Sun Alliance and London Assurance.

The EL and Aims have obviously had close ties for a considerable number of years. At the Aims 1949 AGM, Sir Malcolm McAlpine raised the question of overlapping between Aims of Industry and the Economic League. A report of the meeting said: 'But Mr Swill (Aims of Industry) explained that the Economic League confined their activities to Factories and Works. He said that he would raise the matter when he saw Sir Norman Kipping and Colonel Hoare. Hoare is the Economic League, but Kipping is the FBI, (LRD, Vol XXXIX No 12, December 1950). As one source puts it, the Economic League aims ostensibly for the shop floor compared to Aims of Industry's middle brow approach (*The Times*, 11/4/73). Among a group of like-minded industrialists this division must seem a good rationalisation.

Finally, the Economic League has close ties with British United Industrialists (BUI). Sir Halford Reddish, a present League Vice-President was one of the men who ran BUI (and still could — but BUI's directors' names are no longer disclosed). BUI is a group whose aims are 'the promotion, preservation and protection as far as legally practicable of free enterprise in trade and industry' (Aims and Objects: BUI, *Companies Registry* file), and one of its functions is to channel money to other right-wing organisations (*Observer* 19/10/69).

After the 1967 Companies Act, BUI dissolved itself as a limited company and thus avoids the necessity for it to disclose the destination of its contributions. *The Times* estimated that BUI collected more than £1 million in 1973 (11/4/73). These funds are passed onto three main groups: the Conservative Party, the Economic League and Aims of Industry (*Observer*, 19/10/69).

As to BUI's other roles little is known. However, a BUI spokesperson is quoted as saying: 'If a company thinks that its plant is being disrupted by strikes designed to achieve political ends (by which is

meant Communist and Trotskyist ends) then British United Industrialists reckon to be able to help — indirectly' (*Daily Telegraph* 4/7/68).

It is estimated that the total revenues, in an election year, of Common Cause, the Economic League, Aims of Industry and British United Industrialists 'come close to, or even exceed, those of the Conservatives and Socialist Parties, combined' (A. Thompson; p71, *Big Brother in Britain Today*, Michael Joseph, 1970).

Conclusion

The Economic League was established in the wake of the First World War and the Russian Revolution. Industrialists and politicians correctly foresaw the period of intense class struggle which led up to the General Strike in 1926. The leaders of big business, drawing on the intelligence experience of the formidable Admiral Hall, created an organisation which could counter any threats to their profits.

To this section of the ruling class any trade union activity was interpreted as a threat to their interests. It is within the context of their persistent anti-trade union stance that the maintenance of a 'blacklist' of active union members must be seen. The League, in its own words, is in business to fight 'subversion'.

The League's twin prongs of attack — anti-nationalisation and anti-subversion — might seem to be outdated. Yet the League represents, in part, that reactionary section of the ruling class which holds these issues very dear. Moreover, industry obviously makes use of the League's services. Big employers such as the state-owned British Steel Corporation and Shell clearly see the vetting of future employees and the surveillance of current ones as an acceptable practice.

NOTE 1: Economic League Central Council 1977

PRESIDENT: H.I. Matthey

VICE-PRESIDENTS: Sir David Barran; Sir Robert A. MacLean; Sir Halford Reddish; John S. Dettmer.
CHAIRMAN: Saxon Tate.
COUNCIL MEMBERS: The Lord Brookes — Life President Guest, Keen and Nettlefold; T. Carlile, CBE — President of the Engineering Federation 1972-74; E.G. Carter; Sir Nicholas Cayzer, Bt. — Chairman, British & Commonwealth Shipping Co. Ltd., and Airwork Services Ltd; A. Chamberlain, MC, TD — A.E. Jenks and Cattell Ltd; E.P. Chappell, CBE — Governor of the BBC; C.A.W. Dawes, MC; R.J. Dunlop; The Rt. Hon. Lord Erroll of Hale — Chairman of ASEA Ltd, Consolidated Gold Fields and S.F. Air Treatment. Min. of State, Board of Trade 1959-61, Min. of Power 1963-4.

C. Firth; D. Gardner; J.P.R. Glyn, CBE — Agricultural Mortgage Corp, First Nat. Finance Corp Ltd. and Yorkshire Bank Ltd; T.R. Grieve, CBE, MC — Vice-Chairman and Man. Dir. Shell Mex and BP Ltd 1965-71, Ch. Hogg Robinson (Scotland) Ltd; The Lord Grimthorpe, OBE, DL; C.A.C. Hamilton; A.B. Hampton TD, DL — Ch. Record Ridgeway Ltd; D. Holden-Brown — Vice-Vice-Ch. Allied Breweries Ltd; Dr. J.E. Hughes.

L.C. Hunting — Ch. Hunting Group of Companies; W.G. Ibberson, OBE; D. MacLeod; R.P.L. McMurtie — Ch. Magnetic Components Ltd, Superswitch Electrical Appliances Ltd, Television International Ltd, Video Communication Ltd, and Zoom TV; D.S. Martin; V.C. Mathews — Dep. Ch. Trafalgar House Investment Ltd; Sir Leonard Neal, CBE; L.W. Orchard — Ch. Ever Ready Co. (Hldgs) Ltd; J. Parsons — Director of personnel Guest, Keen and Nettlefolds Ltd; N.G. Price JP; R.B. Raworth; J.F. Simpson, OBE, TD; Sir Gerald Thorley, TD — Ch. British Sugar Co. Ltd, MEPC Ltd; Sir Anthony Touche, Bt. — Ch. Atlas Electrical & General Trust Ltd; Eric Turner, CBE; S.J. West; R.H. Wilkins, OBE; F.F. Wolff, CBE. (*58th Annual Review*, Economic League, 1978).

NOTE 2 DONATIONS TO THE ECONOMIC LEAGUE

Company	Amount (£)	Year to	Industry	Company	Amount (£)	Year to	Industry
Tate & Lyle	7,400	30.9.77	Food	Nestle & Co*	500	31.12.74 (b)	Food
Imperial Group*	7,000	31.10.77	Tobacco, food	Reckitt & Colman	500	31.12.77	Food
Shell Petroleum Co.	6,944	31.12.76	Oil	Rush & Tompkins Group	500	31.12.76	Property
National Westminster Bank*	6,075	31.12.77	Bank	Slough Estates	500	31.12.77	Property
Barclays Bank*	5,400	31.12.77	Bank	Union Discount Co of London*	500	31.12.77	Finance
Slater-Walker Securities (a)	5,400	31.3.75	Finance	Thomas Borthwick & Sons	486	30.9.77	Food
Midland Bank*	4,320	31.12.77	Bank	Barrow Hepburn Group	475	31.12.76	Chemicals
Lloyds Bank*	4,320	31.12.77	Bank	Powell Duffryn	450	31.12.76	Distribution
Hawker Siddeley Group	4,000	31.12.77	Aircraft	Bank of Scotland*	400	28.2.74 (b)	Bank
Whitbread & Co.*	3,500	25.2.78	Brewing	Northern Engineering Industries	400	31.12.77	Engineering
Commercial Union Assurance	3,240	31.12.77	Insurance	Coates Brothers & Co.	375	31.12.76	Printing materials
Guest, Keen & Nettlefolds	3,150	31.12.77	Engineering	Plaxton's (Scarborough)	375	31.8.77	Motors
British Leyland*	3,000	30.9.75 (b)	Motors	British Aircraft Corporation*	350	31.12.76	Aircraft
Eagle Star Insurance Co.	2,500	31.12.77	Insurance	Worthington Simpson*	350	31.12.75	Engineering
Sun Alliance & London Assurance	2,500	31.12.77	Insurance	Scottish & Newcastle Breweries	320	30.4.77	Brewing
Trafalgar House	2,500	30.9.76 (b)	Daily Express, Property etc.	Carpets International	318	31.12.77	Carpets
Tube Investments	2,500	31.12.76	Metals	Clayton Dewandre	300	31.12.76	Engineering
Legal & General Assurance	2,160	31.12.77	Insurance	Crane Fruehauf Trailers	300	31.12.76	Transport equipment
Bridon	2,000	31.12.77	Wire ropes	J H Fenner & Co	300	31.8.77	Engineering
British & Commonwealth Shipping	2,000	31.12.77	Shipping	Rockware Group	300	31.12.77	Glass
Brooke Bond Liebig	2,000	30.6.77	Food	William Baird & Co.	300	31.12.77	Textiles
Guardian Royal Exchange Assurance	2,000	31.12.77	Insurance	Geest Holdings*	275	3.1.76	Food
Johnson Matthey*	2,000	31.12.77	Metals	James Walker	275	30.4.77	Goldsmiths
National & Commercial Banking Group*	2,000	30.9.77	Bank	Norwest Holst	258	31.3.75 (b)	Building
Swan Hunter Group	2,000	30.6.77	Shipbuilding	Antony Gibbs Holdings	250	31.12.76	Insurance
BAT Industries	1,750	30.9.74 (b)	Tobacco	Association Fisheries	250	30.9.76	Food
Birmid Qualcast	1,600	31.10.74 (b)	Engineering	Boddingtons Breweries	250	31.12.77	Brewing
Courthaulds	1,505	31.3.73 (b)	Textiles	Brintons	250	31.12.76	Carpets
Consolidated Goldfields	1,500	30.6.77	Mining finance	Fairey Co.	250	31.3.76	Aircraft
Royal Insurance Co.	1,500	31.12.77	Insurance	London Brick Co.	250	31.12.77	Building materials
Morgan Crucible Co.	1,395	31.12.76	Drugs	Morgan Grenfell & Co.	250	31.12.76	Bank
BICC	1,272	31.12.77	Elect. Engineering	Pochins	250	31.5.76	Building
Drake & Scull Holdings	1,267	31.10.74 (b)	Engineering	Twil	250	31.7.76	Wire products
Turner & Newall	1,250	31.12.77	Asbestos	600 Group	225	31.3.77	Engineering
Stone-Platt Industries	1,150	31.12.77	Engineering	Stockholders Investment Trust	216	31.10.76	Investment
Automotive Products	1,100	31.12.77	Motor components	Concrete*	210	31.3.77	Transport
Associated Engineering	1,000	30.9.77	Engineering	Edgar Allen Balfour	200	31.3.77	Steel
Burmah Oil Co.	1,000	31.12.73 (b)	Oil	Guardian Investment Trust Co.	200	31.3.76	Investment
Furness Withy & Co.	1,000	31.12.76	Shipbuilding	Hardys & Hanson	200	30.9.77	Brewing
Lead Industries Group	1,000	31.12.77	Metal	Tangyanika Concessions*	200	31.12.76	Holdings
Lindustries	1,000	31.3.77	Engineering; textiles	Edbro (Holdings)*	150	31.3.76	Textiles
Williams & Glyn's Bank Group*	1,000	30.9.77	Bank	Low & Bonar Group	150	30.11.76 (b)	Elect. engineering
C T Bowring & Co.	928	31.12.77	Insurance	Lyon & Lyon*	150	31.12.77	Motor distribution
Norwich Union Life Insurance Society (d)*	864	31.12.77	Insurance	Wadkin	150	31.12.77	Machine tools
Baker Perkins Holdings	850	31.3.77	Engineering	WGI*	150	31.3.77	Engineering
Hambros	750	31.3.77	Bank	Jonas Woodhead & Sons*	135	31.3.77	Engineering
Phoenix Assurance Co.	750	31.12.77	Insurance	Readicut International	125	31.3.77	Textiles
SKF (UK)	700	31.12.75	Ball bearings	Arbuthnot Latham Holdings	110	31.3.77	Merchant bank
Transport Development Group	611	31.12.77	Transport	Akroyd & Smithers	100	30.9.76	Stockjobbing
McKechnie Brothers	602	31.7.77	Metal	East Lancashire Paper Group	100	31.12.77	Paper
Gerrard & National Discount Co.	600	5.4.78	Finance	Hiram Walker & Sons (Scotland)	100	31.7.76	Distillers
British Vita Co*	550	31.12.77	Latex, foams	Sanderson Walker & Sons (Scotland)	100	31.12.76	Metal
Chrysler UK*	540	31.12.76	Motors				
Gallagher	540	31.12.75	Tobacco				
Provincial Insurance Co.	540	31.12.76	Insurance				
Pegler-Hattersley	520	31.3.77	Engineering				
Capital & Countries Property*	500	31.3.76	Property				
Houlder Bros.	500	31.12.75	Shipping				
Lamson Industries	500	31.12.76	Printing				

(a) Now defunct.

(b) No donations since this date.

(c) *All listed companies donate to other groups except those indicated with an asterisk.

(d) Robert Carr sits on advisory board; company gave £1,000 to Foreign Affairs Publishing Co. in 1974.