



The CIA in Australia

US spies removed elected government, infiltrated banking, colluded with politicians and controlled a Governor General

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Claims US President Donald Trump had involved Russia to manipulate the USA election result which put him into the White House are being investigated by the CIA after the Democrats called it a violation of national security. Russian President Vladimir Putin was informed about the alleged hacking by Barack Obama one month after a meeting of world leaders in China.

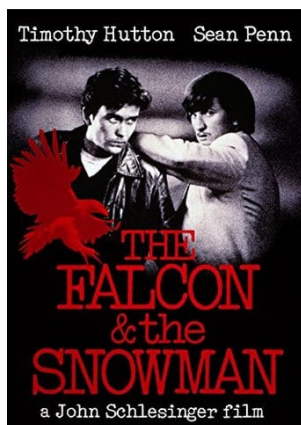
There he received messages citing a senior aide that Putin had ordered the cyber infiltration of the US electoral system to discredit candidate Hillary Clinton and he better stop or else. *Ref page 44*

Gough Whitlam came to power in 1972 with disturbing policies that affected American security arrangements with Australia. Whitlam suggesting closing spy bases, vetting US communications and spy satellites. The highly effective and renowned covert political sabotage strike force moved into action, creating false information to destroy ALP credibility at any cost.

The CIA established the Nugan Hand Bank in Australia for the laundering of drug money to fund their covert operations.

CIA operations to remove Whitlam are featured in the transcript, made from a series of radio interviews with key players and whistle blowers. Most Australians are unaware of the political corruption involving the CIA when it payed bribes and committed murder.

The CIA then conspired with the Liberals to remove Governor General Kerr who dismissed the Whitlam government , installing Opposition leader of the Liberal Party, Malcolm Fraser.



A further reference to the CIA involvement is the 1985 movie "**The Falcon and The Snowman**", a true story of CIA systems analyst Christopher Boyce whose whistleblowing led to this movie featuring his spying revealing CIA and the Whitlam government demise starring Sean Penn and Timothy Hutton.

Viewing link to this movie at www.sosnews.org

An overconfident CIA learnt from President Obama that Russia had hacked the US election campaign but did nothing because they fully believed Hillary Clinton would win the election.

There is no doubt Trump knew nothing of the Russian involvement in the US election until he took up his position in the White House.

This transcript followed by the Christopher Boyce Story. *Page 46*

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Transcript of a 5-part radio documentary, Watching Brief, Public Radio News Services, Post Office Box 103, Fitzroy, Victoria 3065, Australia, October-November 1986

Part No1

Welcome to Watching Brief, your national award winning environment program. I'm Jane Lanbrook and this week the first of a five part series on the CIA, the American Central Intelligence Agency, and its involvement in Australia including the overthrow of the Whitlam Government. Only recently, CIA activities have been on the news again. The recent attempt on the life of General Pinochet, the 13th anniversary of the CIA-backed coup which overturned the Allende government in Chile, the continuing war against the Angolan government and CIA involvement in Australia and New Zealand politics have made sure that the Agency's role, especially in Australia, remains the focus of continuing controversy and concern in the community. In this special two part series, we look at the CIA and its covert operations against governments, trade unions, community organisations and individuals in Australia. Today, in part 1, Tony Douglas looks at the CIA's global role and then at its covert destabilisation operations against the Whitlam government through the Nugan-Hand bank.

Tony Douglas: The Central Intelligence Agency or CIA was set up in 1947 when the United States Congress passed the National Security Act. Since then the CIA with its large and secret budget has involved itself in the politics of nearly every country in the world. One of its four divisions, innocuously entitled PLANS is responsible for covert actions. Covert Action often means the propping up or overturning of foreign governments. I asked Ralph McGehee, a former CIA agent, as to how many governments the CIA had overthrown.

Ralph McGehee: The Agency, of course, overthrew the Mossadegh government of Iran to establish the Shah; it overthrew the government of Guatemala in 54, remnants of it are still in control of that country; it overthrew two Uruguayan governments; the government of Brazil in 64, Chile 73. It tried to overthrow the government of Cuba in 61 with the Bay of Pigs; it conducted invasions of China; it was running guerrilla warfare operations in the Soviet Union, Nepal, Albania; it was involving itself in elections in Italy beginning in 48 up to the 70s, it spent a hundred million dollars in various Italian elections; it was involving itself in elections in Germany. In one country, Syria, I've counted so far that it has conducted at least seven attempts to overturn the governments there. I don't know

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how many were successful -- I haven't got into that area. But the Middle East has been the sort of favourite playground of covert operations. In Africa, of course, the same thing. They are trying right now to overthrow the government of Angola. Recently, they tried to overthrow the government of Ethiopia. I'd say that I don't think there is a government in Latin America that has neither been overthrown nor supported by the CIA. And probably I could say much the same for governments in the Middle East and, less to do, in Africa.

Tony Douglas: The CIA screens its personnel very carefully to carry out these tasks. One such examination was the Externalised Regulated Adaptive Personality Test.

Ralph McGehee (pic): They were looking for the total personality picture. They can pick up one element of your personality or another or another and come up with the individual's total picture. And what they are looking for is the E.R.A. type of personality. In the E mode they are looking for the extrovert who likes to be active, who doesn't particularly like to sit and think, who doesn't like to plan in advance but works by trial and error. In the R mode they are looking for the



Regulated Individual, or the rigid I call it, a person who sees the world in black and white certainties, there are no shades of grey, a person who has trouble feeling sensitivity towards others. Then in the Social Mode they are looking for the A or adaptable individual, a person who will not protest, who adjusts his personality to the milieu he finds

himself in at the time. So you get this total E.R.A. type of personality which they are looking for, and you recruit this man, knowing this person, knowing his ideological position, always to the right-wing of course. And then you take this sort of personality, put him into the system, indoctrinate him in the tenets that the world is threatened by an international communist conspiracy and you feed him all the so-called "intelligence" the Agency collects and you have a sort of hermetically sealed lifestyle that reality can never penetrate.

Tony Douglas: It must have been a very painful experience for you to move from the position of being a "superpatriot" to working out that the Agency that you had given most of your working life to was deceiving people and causing mass murder around the world and subjugating people all over the place. As a personal experience, how long did it take you to really come to grips with that and what sort of

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levels of pain and suffering did you go through in your family and people around you?

Ralph McGehee: I well suited the E.R.A. personality type, I guess, and I tried to hold off reality for several years but I was living in the belly of the beast and my defences sort of crumbled slowly and it was a very.., at first you know, "I can't believe this is true", "I don't want to believe", and ultimately I had no other recourse but to accept the reality that I was involved in and this was, as you can imagine, extremely painful. Not only was the Agency that I had so given my life to but my country was deceiving and killing and all the things that I sort of pondered my personality and like all in the world shown to be deceit so it was extremely painful and, of course, one thought of the various solutions to one's dilemmas such as suicide which I ultimately rejected in the hope that I could bring my story out.

Tony Douglas: Over the years there have been many reports linking CIA activities with the downfall of the Whitlam government. Does Ralph McGehee think they were involved?

Ralph McGehee: Well, my views are as though what's the problem? I mean, we had a whole series of Agency spokesmen said, 'oh, yes, there was an Agency role in the overthrow of the Whitlam government'. I just don't know why Australians can't accept that. I did just a little bit of research before I came out and you had Ray Cline, a former Deputy Director of the CIA, saying 'when Whitlam came to power there was a period of turbulence and the CIA will go so far as to provide information to people who will bring it to the surface in Australia, say a Whitlam error which they were willing to pump into the system so it may be to his damage and we may provide a particular piece of information to the Australian intelligence services so that they make use of it'. And then the CIA National Intelligence Daily said, 'some of the most incriminating evidence in that period against the ministers in the Whitlam government may have been fabricated.' This is about as strong as you get them to say so. It is quite obvious that information was being leaked about ministers Rex O'Connor and Jim Cairns and some of it was being forged which is a standard CIA process. Jim Flynn, who was associated with elements who were involved with the Nugan-Hand bank, he said that he was involved in manufacturing the cables and leaking them to the press. Now he would not be a very credible source except that he worked for Nugan-Hand. Admiral Bobby Inman, former Deputy Director of the National Security Agency and Deputy Director of the CIA, said on two occasions that he expressed deep concern that investigations of Nugan-Hand would lead to disclosure of a range of dirty tricks played against the Whitlam government. You have the statements by Christopher Boyce who was in a relay point for information from the

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CIA and in his trial he said that 'if you think what the Agency did in Chile was bad, in which they spent 80 million dollars overturning the government of Chile there, the Allende government, you should see what they are doing in Australia'. On the Shackley Cable, which was a virtual ultimatum to the head of ASIO to do something about the Whitlam government, it is sort of prima facie evidence of CIA interference in the Whitlam government. This was on November 10. On November 11, Governor-General John Kerr dismissed the Whitlam government on a parliamentary technicality. John Kerr earlier had been the founder of Law Asia, a CIA-front organisation.

Tony Douglas: The question in most Australians' minds is why would the CIA want to bring down the government of a loyal ally, after all it was the wartime Labour administrations who build up the special relationship with America. Jerry Aaron, co-author of *Rooted in Secrecy*, a book that examines the clandestine element in Australian politics looks back at the early days of the Whitlam government.

Jerry Aaron: There was immediately a reaction about a Labour government coming to power and the initial acts of Whitlam in the first few weeks did probably fuel their worst fears that here was a government dedicated to social reform and, of course, from then on they would have looked for further evidence of misdemeanour against the right-wing ethics of the CIA and of the U.S. administration. And those were of course coming because it was quite clear that certain ministers, and you had to remember that ministers in the Whitlam government had some stature, contrary to those of Labour governments, and certain ministers particularly Connor was obviously out to as he called it, to 'buy back the farm for Australia'. In other words, to get back some of the resources which were dominated by the overseas companies which had purchased them earlier. And no doubt they got even more worried when a person like as Jim Cairns was made Treasurer -- Jim Cairns was a very well known anti-Vietnam war activist. So there were probably a whole heap of things which the CIA could blow up to demonstrate that this was a raving red alert that had been projected into power in Australia and had to be get rid of at all costs.

Tony Douglas: It would seem that a lot of the statements about the Vietnam war made by Labour ministers, particularly the bombing of Hanoi by the Nixon administration, and the well-known anti-Vietnam record of people like Jim Cairns specifically upset Henry Kissinger.

Jerry Aaron: Yes, well, that's very true. In fact, Kissinger had a personal hatred for Whitlam. Certainly, more than a political fear which sprang from the domino theory and similar nonsense and one must assume that the fact, for instance, Task Force 157 was set up

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separately from the CIA sprang from the fact that they didn't even trust the CIA to do the right thing by Australia.

Tony Douglas: What is Task Force 157?

Jerry Aaron: The Task Force 157 was a group set up by Henry Kissinger and it was set up in a quite strange way. It was a mini-CIA which was actually separate from the CIA and probably was set up by Kissinger so he could deny any connection between what the Task Force 157 was doing and the CIA. Nevertheless, the personnel of Task Force 157 included Ted Shackley, who was one of the head of sabotage operations against Cuba, he was Station Chief in Saigon during the Vietnam War, and he was the Chief of the CIA Western Hemisphere Division, so with an impeccable CIA record like that it would be very difficult to disassociate him from what the CIA was doing. The concept of Task Force 157 seems to have been two-fold: firstly, to set up operations against the Whitlam government. And secondly, to go ahead with using Australia as a base for certain clandestine U.S. operations such as arms dealing and smuggling of contraband goods.

Tony Douglas: The subsequent inquiries have established the Nugan-Hand bank was to be the organisation used as cover for the operations of Task Force 157. According to Victor Marchetti, a former CIA officer and author of *The CIA and the Cult of Intelligence*, the Nugan-Hand bank is typical of the organisations used by the CIA in their style of operations.

Victor Marchetti (pic): There are actually three kind of organisations that the CIA uses and I think we should keep those in mind as we talk.



One is what is called the proprietary organisation. This is an organisation that is owned, operated and controlled by the CIA, such as Air America was and certain other large airlines. China Airlines for example, Civil Air Transport, Southern Air Transport and the like. Then there is something that is more of a front organisation. These are usually a lot smaller and have a much more specific purpose and are less tightly controlled, maybe a consulting firm of some sort, that's its cover but it's really used as a firm like the one here in Washington that came up during the Watergate affair. There is a third kind of organisation which is really an independent organisation but it is closely allied to the CIA not only in ideology, because many of the people who work for it are ex-CIA people and they have mutual goals in some instances, or at least their goals run parallel in some instances but on the other hand they operate independently. This is like Interarmco which does a lot of its own work,

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of course it is an independent organisation, but it's run by a former CIA man. He does favours, or used to do favours for the Agency and viceversa. Nugan-Hand, from what I know about it, seems to fall into this latter category. It doesn't seem to be a proprietary in the full sense of the word, that is owned and controlled by the Agency, nor does it seem to be a simple front organisation. It seems to be more of an independent organisation with former CIA people connected with it. They are in business to make money but because of their close personal relationship with the Agency they would do favours for the Agency and this would include providing cover in some instances for operators. It would include laundering of money. It would include cut outs for any sort of highly clandestine activity the Agency is involved in but does not want to be in any way directly connected with.

Tony Douglas: The Nugan-Hand bank relationship to the CIA can be traced through its employees, most of whom have an intelligence background. Here top Australian investigative journalist Brian Toohey tells Andrew Phillips about the background and actions of senior Nugan-Hand personnel.

Brian Toohey (pic): It turns out that some of the people directly involved with the bank, Michael Hand, an ex-American Green Beret, went on from the Green Berets to work in intelligence work for the US government. Bernie Hawthorn who ended up as number three in the bank and the manager in Saudi Arabia for the bank and before that had been running restaurants and so forth in Sydney - he has got an intelligence background, US intelligence background, and in fact an ex-member of the British Secret Intelligence Service, Peter Wilcott, who knows of him said both to me and to Australian narcotics authorities, in some recorded interview with the Narcotics Authority, that Hawthorn was working as an undercover intelligence operative in Australia and he had been in Australia since the late 60s. Wilcott says that this was told to him by people like Admiral Yates, who was a president of the bank in the United States, and General Black who was the Hawaii representative.



Andrew Phillips: Admiral Yates? Where does he fit in all this?

Brian Toohey: He was the American president of the bank and also of the Cayman Islands branch which is normally used as a tax haven, good secrecy provisions prevail there for banking operations. The actual bank operated out of its offices here in "K" Street in Washington, DC, run by a General Cok who is quite close to the White House. He claims to have no connection with the bank at all but it's a matter of record that in fact he introduced Yates for lobbying purposes

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for a particular scheme they had in mind, to people in the White House. Cok himself has got all sorts of intelligence connections. For instance, he as an Air Force General provided the B-26 bombers that were used in the Bay of Pigs episode in which the CIA attempted to use Cuban refugees to in the early 60s invade Cuba, a total disaster.

Andrew Phillips: Bernie Hawthorn was another in the scenario. He apparently was connected in some way to a John D. Walker who was the CIA Station Chief in Australia during the Labour years.

Brian Toohey: Bernie Hawthorn. Yes, he is an American who went out to Australia and set up restaurants in Sydney to take advantage of the RNR situation during the Vietnam war. And I'm told here by other people as well as by Peter Wilcott that he has got an intelligence background. John D. Walker was the Station Chief of the CIA in Australia whilst the Labour government was in power. I asked him the other day about his connections to Hawthorn and he said they were purely social. Someone else told me that he saw them together a lot and Walker says 'no, it's a purely social thing'. As far as he knows, Hawthorn was not involved in intelligence. In fact, he implied that he wasn't a suitable sort of person for it and says he doesn't know of any activities he was involved at all in Australia. The other connection that Hawthorn has got is with a man called Wilson, Edwin P. Wilson, who was a very senior member of a thing called Task Force 157 which was a very secret group within the US Naval Intelligence Office. It's job was kind of on the ground human intelligence activities and Wilson ran what is known as the proprietary companies and those were companies which were set up as ordinary businesses but were in fact used to channel money and so forth and give cut outs to personnel in the whole operation. And I'm told that one of the companies associated with this is Australasian and Pacific Holdings, which is a company started by Mike Hand in Australia in the late 1960s and a number of the shareholders in that were members of Air America, a CIA proprietary airline.

Andrew Phillips: And Bernie Hawthorn? According to Peter Wilcott, of whom we have talked about already, claims that Hawthorn was a CIA undercover agent working in Sydney as well as a restaurateur.

Brian Toohey: That's what he says he has been told. Don't forget that Wilcott himself is a former senior member of the British Secret Intelligence Service and knows quite a bit about this.

Andrew Phillips: Hawthorn also allegedly has connections to Admiral Lloyd Basil who has connections again to this Task Force 157.

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Brian Toohey: Well, Wilcott says that he recalls that Hawthorn used to work for Basil in an intelligence role. I've since contacted Basil who just doesn't want to talk about any of this but denies that particular thing. He won't deny that he was the one who introduced Wilcott to Admiral Yates in an attempt to set up Wilcott getting a job with the bank. Wilcott, when he got a bit of a smell of what was going in the bank, turned down the job prospect and in fact went to Australian and U.S. authorities to suggest that not all was well with this bank.

Andrew Phillips: Another name that crops up is Guy Parker.

Brian Toohey: Yes, McDonald told me that his introduction to the bank came from Guy Parker. Parker has been a long time employee of the Rand Corporation, a U.S. government sponsored think tank out in the West Coast here and his speciality is in Asian Affairs, particularly Indonesia. Now he denies outright ever having received a cent or ever working for the CIA which is flatly contradicted by a number of people here who have worked for the CIA and admit to working with him. And I was given another example of how Parker was involved in an original CIA attempt to sponsor rebellion in 1958 against the Sukarno government in Indonesia. Parker is extremely hot under the collar at any suggestion that he is involved in any way in intelligence activities and much more is really upset at the connection that he has with this bank. He keeps stressing to you that he is an absolute honoured academic around the world, that he is a true scholar, that prime ministers and presidents receive him at will and that he doesn't want to be mixed up with this. Well, the truth of the matter is that he is mixed up with it. He went down to Sydney to give a lecture to the bank, he went to a conference they held in Manila, he made introductions for Nugan-Hand around Indonesia with senior levels of the oil industry. He introduced G. McDonald to the bank and so on.

Andrew Phillips: So with all of this certainly circumstantial evidence how do you see in a kind of general summation this activity fitting in the activities of the Special Task Force 157 in Australia?

Brian Toohey: I know it's a hard fact and I'm not really in a position to detail it all at the moment, but Task Force 157 was involved in covert activities against the Labour government attempting to destabilise the Labour government. That much I have as a hard fact from an impeccable source here. I think over time more details will come out and certainly the intelligence community here fears that more details will come out and knows that more details can come out on how exactly it happened.

Jane Lanbrook: That special report was produced by Tony Douglas with the assistance of Andrew Phillips in New York. You heard former

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CIA agents Ralph McGehee and Victor Marchetti; journalists Brian Toohey and Jerry Aaron, co-author of the book *Rooted in Secrecy*. Next week "The Loans Affair" - Sir John Kerr and continuing CIA operations inside the Australian Labour movement.

Part No 2

Ralph McGehee: The Shackley Cable, which was a virtual ultimatum to the head of ASIO to do something about the Whitlam government, is a sort of prima facie evidence of CIA interference in the Whitlam government. This was on November 10. On November 11, Governor-General John Kerr dismissed the Whitlam government on a parliamentary technicality.

Brian Toohey: I know as a hard fact that Task Force 157 was involved in covert activities against the Labour government. That much I have as a hard fact from an impeccable source here.

Jane Lanbrook: That was former CIA agent Ralph McGehee and journalist Brian Toohey talking on this program last week about CIA actions against the Whitlam government. The destabilisation campaign was run by the top secret Task Force 157 under the cover of the Nugan-Hand bank. Welcome to the second part of *Watching Brief* for this week. I'm Jane Lanbrook and now in the second part of our series, "The CIA in Australia", Tony Douglas looks at the effects of that destabilisation campaign, the so-called "Loans Affairs", the dismissal of the Whitlam government and the role of former US ambassador Marshall Green.

Tony Douglas: In early 1973 the United States appointed Marshall Green as ambassador to Australia. His appointment was a sign of US uneasiness over the election of the Labour government. By the time of Green's departure, in September 1975, many in the Labour party felt similarly uneasy over the role played by the master diplomat in destabilising the Whitlam government. One who saw the early signs was Joan Coxsedg, now a Victorian Labour MP, who in 1973 formed the Committee for the Abolition of Political Police.

Joan Coxsedg: Well, I think it's important for people to understand that Green wasn't just any old ambassador. First of all, he was the first career diplomat that we had in this country unlike the sort of person we normally get who are rewarded for kicking in money to the Republican or Democratic parties. He was a very very senior man indeed. In fact, he was mentioned in the Pentagon papers as being a high-level policy maker for America in Southeast Asia and he had known CIA connections. So, quite obviously, the alarm bells rang back

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in Washington with the election of a Labour government. They were worried about policies that we had to close down the bases, to exert more independence generally on our economy and they wanted somebody to not only monitor, I suggest, to lead a destabilisation of the elected government. God knows he had plenty of experience, he had been involved in quite a few coups in Southeast Asia including the very bloody one in Indonesia.

Tony Douglas: Joan Coxsedg's suspicions about Green were shared by Whitlam's Cabinet Minister Clyde Cameron who had many face to face meetings with the American ambassador.

Clyde Cameron: Marshall Green was for many many years a top CIA operative who orchestrated the overthrow of the Sukarno government which led to the installation of President Suharto. He was involved in the CIA intrigue in Vietnam and in the overthrow of the government of Greece. He's a very very skilled operative in the art of destabilisation of governments that the United States doesn't approve of.

Tony Douglas: What was his method of operation?

Clyde Cameron: Well, his method of operation was to make close contact with the military of a particular country, those who own and control the media, and to generally infiltrate the sections of governments where policy or decision-making takes place. And if he is unsuccessful in getting the right decisions there, well, the next step would always be to get the army to organise a coup. That's what happened in Indonesia, a phony uprising was organised by the CIA in order to give justification for the military coup that followed. And the same happened with the assassination of Deben in South Korea. Where a ruler is unable to bring about the kind of decisions that suit the CIA or where a ruler doesn't even try to do so, then, the next step is to organise some pretence for military action. The same sort of thing happened in Chile in 1973. And one of the first people he called on, after visiting the Prime Minister and having already put in his credentials to the Governor-General, was me. And as he was walking through the door of my office I saluted him in the normal way, 'please to meet you your excellency, take a seat,' and before he could take a seat I said 'what would you do if our government decided to nationalise the Australian subsidiaries of the various American multinational corporations?' and he'd been caught by surprise, he wasn't accustomed to a minister asking that sort of question whilst he was in the process of taking his seat, and he blurted out: 'oh, we'll move in'. I said, 'oh, move in? like bringing the marines in?'. He said, 'oh...'. he looked a bit uncomfortable by now, although he's a senior man he didn't expect being caught off guard, he was very

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uncomfortable and he said, 'oh, no, the days of sending the marines has passed but there are plenty of other things we could do'. I said, 'for example?'. He said, 'well, trade'. And I said, 'do you realise that if you stop trading with Australia you would be the loser to the extent of 600 million dollars a year', that was the balance of trade figures at that time. He said, 'oh, well, there are other things'. And he didn't elaborate but, of course, there are other things.

Tony Douglas: In 1974 the conservative coalition blocked supply to force an early election. The move backfired and Whitlam was comfortably re-elected. The prospect was now a Whitlam government until 1977 with prominent left-winger Jim Cairns elevated to the positions of Treasurer and Deputy Prime Minister. In that time the lease of Pine Gap would come up for renewal and Minerals and Energy Minister Rex Connor would have time to gain control over Australia's vast and mostly foreign-owned basic commodities. It was at this stage that two big players wandered on to the national political stage, offering cheap loans to finance the plans for buying back the farm. It led to the media circus known as 'The Loans Affairs'.

Joan Coxedge: Well, this was the so-called 'scandal' if you like of 1975 and the scandal of the Loans Affairs filled countless pages of newspapers day in, day out, week in, week out, the whole year, and I think the Loans Affairs showed what a tremendous performance the CIA could actually turn on when they really put their minds to it and it started off in February 1975 when copies of telexes and other documents - some were genuine but some undoubtedly forged - came flooding in from all over the world, you know, like on cue, very highly orchestrated. And Australians were asked to believe that we were the victims of a monstrous conspiracy in that members of our Parliament were about to sell off our country to the Arabs. And, if you actually have a look at the facts - I think they are worth going back to - and that is that the ruling circles in OPEC countries had accumulated huge amounts of money following the great leap in oil prices in 1973 and they certainly invested thousands of millions of dollars privately in the United States and elsewhere and had made loans to British, French, Danish, Italian and Japanese governments without raising a commotion at all. An Executive Council meeting of the Australian government met on the 13th of December 1974 and they authorised Rex Connor, who at that stage (he's dead now) was the Minister for Minerals and Energy, to seek loans of up to 4,000 million dollars to deal with, this is a direct quote, 'with exigencies arising out of the current situation and international energy crisis and to strengthen Australia's external financial position to provide immediate protection for Australia in regard to supply of minerals and energy'. This was a very important concept for Australians to have. But the authority wasn't given to Treasury because they were known to be treacherous

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and they were known to be very hostile to departmental heads of the government and, although this decision was supposed to be secret, it wasn't very long before offers to assist in that search came from some very strange quarters: from a very odd gentleman called T. Khemlani and he was supposed to be a financier from Pakistan. He approached Rex Connor and eventually - and I think that Connor was caught as fool - he authorised Khemlani to run around all the OPEC countries to seek out funds for the government. Now as it turned out, Khemlani was sent by a Hong Kong arms firm which had very close associations with a crowd called Commerce International and Commerce International is a very powerful Brussels-based armaments outfits with documented links to the CIA. And a short time after that, we had a Melbourne businessman by the name of George Harris. He contacted our Federal Treasurer, Dr Jim Cairns, with an offer of overseas loan money. Now Harris's overseas principals were none other than the New York office of Commerce International and they were the same firm that were in Khemlani's background. So there is a whole lot of controversy surrounding the negotiations between Cairns and Harris and you get different accounts but I think the most worthwhile account is the one that was taken from the statutory declaration made a lot later by a Sydney businessman by the name of Leslie Nagi, and that was tabled by Jim Cairns in the Federal Parliament, and Nagi was the senior partner of Alco International in which he held a sixty percent interest with George Harris, who joined on the 1st of March 1974 and he held a forty percent interest. Now, according to Hansard [the parliamentary record], Nagi received a call from an acquaintance insisting that Harris should be present at the meeting with another intermediary in Dr Cairns' office. And at that time Harris was very prominent and influential as a member of the Carlton Football Club and he was on very friendly terms with many leading members of the establishment such as Sir Robert Menzies [and] Sir John Banting who had been the Australian High Commissioner in London in 1975 and who was a former head of the Prime Minister's department and consultant to the Office of National Assessments [ONA]. And we had Philip Lynch coming in. Philip Lynch, who died a number of years ago, was a Deputy Leader and Shadow Treasurer of the Federal anti-Labour opposition. But, as well as that, Harris also had a close association with a number of very important people in the Victorian Liberal government. And so, Harris first approached Cairns in a letter dated 16th November 1974 and he sought approval for himself and Nagi to negotiate overseas loans for state government authorities. Now Cairns was told by Treasury, 'No', so Harris got the funds down but at a later meeting in Cairns' office, and that was on the 7th of March 1975, Harris produced a telex from a New York company called Sunlight. But Sunlight was offering 4,000 million dollars at 7.2 percent interest with an outrageous 2.5 percent brokerage. Now people today may think that's not very high, but back

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in 1975, you know, 2.5 percentage brokerage for a 4,000 million dollar loan [\$100,000,000] was considered utterly outrageous. But he also produced a letter showing that the money would be supplied by Commerce International. We keep coming back to Commerce International. Now Cairns flatly refused to agree to these terms. And so Harris was left in and out of office to dictate a draft letter to one of Dr Cairns' secretaries and, apparently, Harris knew her very well. So she came out of Dr Cairns office and handed the signed letter to Harris who, according to Nagi, lost no time in heading for the door. Now the finished letter of authorisation was addressed to Alco International and endorsed a 2.5 percent commission, two conditions that Cairns had - according to Nagi - flatly rejected only a few minutes before. So subsequently Cairns gave Harris, whom he trusted implicitly, further letters of authorisation and Harris and Nagi went overseas to raise the money promised by Commerce International and, of course, you can imagine that during these trips Harris made full use of his friendship with Sir John Banting to show that these letters of authority were absolutely genuine but, not surprisingly, the search for the loans proved highly elusive. One or two tentative offers were made but they turned out to be totally false, but one in particular appeared to almost be complete, and ironically the intermediary was none other than the Narodni Bank of Moscow. But after Rex Connor's first authority to Khemlani expired in January 1975, with no results, Connor was given a new authority on the 28th January 1975 to raise 2,000 million dollars. Once again, nothing was forthcoming from Khemlani, so the second authority was revoked on the 20th May 1975. Now, according to Nagi in his statement, he formed the opinion that no low interest money had ever been available. That's a view that's shared by many other people.

Tony Douglas: If the money for these loans was never there in the first place who was T. Khemlani, the mysterious Pakistani financier. Co-author of Rooted in Secrecy Jerry Aaron looks at his subsequent career.

Jerry Aaron: We do know that in 1981 he was actually employed as the Italian companies manager in Haiti which is run by the government and in 1981 he was found guilty of trying to move millions in stolen US dollars out of the US on behalf of the Mafia and he was given a light sentence for turning state's evidence. So, perhaps he is available for further work now. One of the interesting features of this Khemlani affair is that just before Whitlam was dismissed from office he got a letter from Hawaii which contained a copy of the message which was allegedly sent to Fraser giving details of the role Khemlani was playing there and which was being paid for in order to destroy the Labour government. And the message contained instructions which should be decoded before transmission by calling a

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certain number, which turned out to be the Hawaiian headquarters of the CIA.

Tony Douglas: If the CIA set up the Whitlam government it got great assistance from two quarters. Firstly, the Labour ministers themselves who used go-betweens like Harris and Khemlani neither of whom had the necessary bona fides to conduct such negotiations and both of whom were dependent on the arms company Commerce International to supply the money, a company with documented CIA links. However, they also received crucial assistance from the Australian media who blew up the story. Was this done, as Clyde Cameron suggested, by Marshall Green cultivating three or four media owners in Australia or has the CIA penetrated the media itself? That's the question I put to former CIA agent Ralph McGehee.

Ralph McGehee: Well, the first thing that the agency tries to build or create is penetration into the media of the world. They had a worldwide organisation. And this was penetration of media assets around the world and they called it "the world" because that brings a name of an organ and here is an organ which you can play any propaganda you want anywhere in the world. So, from the fact that the media took it up [in Australia] one can suspect heavy CIA involvement.

Tony Douglas: When Green left Australia in September 1975 all the pieces were in place. The Loans Affairs had discredited the government and given the Opposition leader Malcolm Fraser the reprehensible circumstances he needed to block supply. In addition, the complexion of the Senate had been altered by dubious constitutional devices to give the coalition parties the numbers to force the government to the polls. But what if the government refused to go. That pushed the Governor-General Sir John Kerr right to the centre of the political stage. Kerr had been appointed Governor-General in 1974 by Whitlam himself. The appointment was strongly opposed by many in the Labour party including the present Prime Minister Bob Hawke.

Jerry Aaron: Well, John Kerr came from a working class background and then he made his way through Law School. At the end of World War II we find him working in the Directorate of Research and Civil Affairs and by this time he was a Lieutenant Colonel and he made contact in this capacity with the intelligence agencies overseas on behalf of Australia. Then, when the war came to an end, Kerr joined the ALP [Australian Labour Party] and represented the ALP legally but the sort of flirting with the ALP didn't last very long. He became increasingly conservative and ultimately became a darling of the establishment. He was a very ... I'm not allowed to say people are

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right-wing judges because they are supposed to give impartial judgment, but he was certainly the person responsible for jailing Claire O'Shade and I suppose the sentence in this case was up to him and this created the greatest post-war industrial upheaval in Australia leading virtually to a general strike.

Joan Coxledge: Well, of course, he had connections with two well-known CIA sponsor outfits. One was the Australian Association for Cultural Freedom. Kerr was very disappointed actually because although he had been a long-time member of the Australian Association for Cultural Freedom he failed to make the presidency of that organisation, but he did serve as the first president for two terms of Law Asia from 1966 and that's another well-known CIA front.

Tony Douglas: So how did Kerr behave from the days leading up to the dismissal. One man near the centre of the action was Whitlam Cabinet Minister Clyde Cameron.

Clyde Cameron (pic): What I do know is that as Commander-in-Chief of the Armed Forces Kerr had been in communication with chiefs of the Armed Forces. I know the Governor-General's office had been in



touch with the American embassy. They contemplated the possibility of a general strike in which there would be a revolt of the trade union movement resulting in a complete shutdown of all power or gas supplies or transport, all activity, even the waterworks, the sewage, everything would have been cut off. The country couldn't have lasted any more than 24 hours. So, it was decided that the army would be put on red alert so [that] in the eventuality of that sort of thing happening they would be able to move in. And in the event of the army finding that the whole matter had gone beyond their control ... because what could the army do? They couldn't man the power stations and the water-works and the sewage plants and all the transport facilities with the kind of army we've got. And it was then decided that they would call on the Americans to send in the Pacific Fleet and would stand ready to take and bombard Sydney.

Tony Douglas: For most Australians the dismissal is an uncomfortable reminder of a turbulent period of Australian politics. If they reflect on the events of 1975 at all, the scenario of an Australian Governor-General using the authority of the English Crown to trigger a series of events that would lead to the American Fleet bombing an Australian city to bring about the downfall of a duly elected government is beyond belief. Surely these things only occur in banana republics. Whether or not that is the scenario of 1975 it's evident that

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the CIA was deeply implicated and that leading conservative politicians knew in advance of Kerr's actions.

Joan Coxledge: There is a very fascinating document that we reproduced, because we thought it was so very interesting. It involves



Andrew Peacock (pic), now at that stage of course he was widely tipped to succeed Malcolm Fraser as leader of the conservative Liberal Party, which he did and subsequently lost. In 1975 it showed that during a parliamentary debate that was written up in Hansard it was revealed that towards the end of September 1975, almost two months before the coup toppled the Whitlam government, during a visit to Bali Andrew Peacock disclosed amazingly detailed knowledge of the scenario that was to take place on the 11th of November 1975. One of

the crucial things, as far as Peacock is concerned, is that the conversation took place with Bahkin, which is the notorious Indonesian Secret Police. Bahkin's report of the meeting, the part that is most interesting to us, is the bits on Australian domestic policies and, according to Mr Peacock, he said at that time the opposition parties were leading 20 percent in the opinion polls over the Labour party and in order to win a general election it was sufficient to have only 3 percent and the opposition wanted to force an early general election and he mentioned November 1975. And he said that he also really wanted to see this three-year term fulfilled by the Labour government, he didn't really want to force a general election by rejecting the supply bill in the Senate but he felt his party would be forced to agree to bring on a general election because pressure was already strong enough, because he said that 9 out of 11 members of the Shadow Cabinet agreed with the bringing on of an election. He said, 'there might be a bit of a problem with two Liberal senators who would not follow the command of the party', which also proved to be true, but he said if the supply bill can really be rejected by the Senate the following scenario would develop: Prime Minister Whitlam is not prepared to dissolve the Parliament and the Senate, which would be a double dissolution, and he would therefore continue to govern without a budget and, as a result, he would not be able to pay the wages, you know, of public servants, and the situation will become chaotic.

Another option was that Whitlam may appeal against the Senate to the High Court and that would mean a constitutional battle would result. And the third suggestion he made was that Whitlam would not agree to a double dissolution or to hold a general election and this, he said, the Governor-General Sir John Kerr would be forced to ask Malcolm Fraser to form a Cabinet but this Cabinet would not be able to get a mandate to govern because Parliament is controlled by the Labour party and what can happen is that Malcolm Fraser is appointed

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Prime Minister and a minute later he asks the Governor-General to dissolve Parliament and the Senate following which a general election is to be held. Now, as we know this was released by Bakhin in September 1975 and the scenario proved to be remarkably accurate.

ANNOUNCER: [People's shouts of ` We want Gough, We want Gough' in the background] The Governor-General of Australia who by this proclamation dissolves the Senate and the House of Representatives. Given under my hand on the great seal of Australia on the 11th of November 1975, by His Excellency's command, Malcolm Fraser as Prime Minister ... God save the Queen.

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ANNOUNCER: [People's shouts of ` We want Gough, We want Gough' in the background] The Governor-General of Australia who by this proclamation dissolves the Senate and the House of Representatives. Given under my hand on the great seal of Australia on the 11th of November 1975, by His Excellency's command, Malcolm Fraser as Prime Minister ... God save the Queen.

Jane Lanbrook: Welcome to the second part of Watching Brief this week. I'm Jane Lanbrook and now in the third part of our series examining the activities of the CIA in Australia we look at the role of the Pine Gap military communications base in connection with the fall of the Whitlam government.

GOUGH WHITLAM (pic): The proclamation which you have just heard read by the Governor-General's official secretary was countersigned Malcolm Fraser...[people's shouts of BOO BOO BOO]...who will undoubtedly go down in Australian history from Remembrance Day 1975 as "Kerr's cur".



Tony Douglas: So the first Labor government for a generation was gone. It had been in office for three years but hadn't really been given the opportunity to govern. Twice in that time the conservative parties blocked supply and countless other pieces of legislation were also defeated in the Senate. As his government came under daily assault through the building up of the Loans Affairs, the Marosi Affair and other diversions, Whitlam struck back at his enemies blowing away some of the secrecy surrounding Pine Gap. Former Whitlam Cabinet Minister Clyde Cameron recalls.

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Clyde Cameron: We were never told that Pine Gap was a CIA installation and it wasn't until Gough Whitlam publicly declared that Richard Stallings was a CIA operative and that he had been in charge of the Pine Gap installation that we knew that Pine Gap was a CIA installation and I believe that at the very beginning Gough Whitlam and the Minister for Defence were led to believe that it was a pretty harmless sort of operation. But you've got to remember that just about the time the dismissal took place, the Australian government had to make a decision as to whether it would renew the leases of these American installations on Australian soil and there is every reason to believe that the Americans were fearful that the leases wouldn't be renewed. That would be a good enough reason, in their view, for moving in to destabilise the government and to bring about its overthrow to say nothing of any threat that our policies may have for their Australian investments in the multinational area.

Tony Douglas: Whitlam's exposure of Stallings also revealed another interesting fact and that was that Stallings was staying at National Party Leader Doug Anthony's flat in Canberra. From November 2 to November 6, 1975, Whitlam repeated these charges and demanded a list of all CIA agents in Australia. The CIA in turn demanded that ASIO report to them on what Whitlam was up to. A cable from a senior CIA official and Task Force 157 member, Ted Shackley, on November 10 accused Whitlam of being a security risk and asked ASIO to do something about it. The Head of the Defence Department, Arthur Thang, described him as "the greatest risk to our nation's security that there has ever been." Meanwhile Whitlam said he would detail the operations of Pine Gap in Parliament on the afternoon of November 11. It wasn't until years later that details about the Pine Gap base and American fears that its top secret role would be disclosed were linked to the downfall of the Whitlam government. That link came to light when Chris Boyce, a cipher clerk at TRW -- a California-based aerospace corporation, was charged with espionage in 1977. Boyce was working in the black vault where information from Australia was directed to CIA headquarters in Langley, Virginia. Kelly Johnson of the Christopher Boyce Alliance takes up the story.

Kelly Johnson: The information was mostly coming from Pine Gap, Nurrungar and Canberra, from the CIA stations there. It's difficult to know actually what the content was, it's obviously very secret what the content was, but it came into the communications relay room where Boyce worked. He then sent the information on to CIA headquarters in Langley and sent certain information back to Australia.

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Tony Douglas: Now Australia and the United States had signed an Executive Agreement to share intelligence from Pine Gap. Did Boyce find that his practical experience was all that intelligence information shared?

Kelly Johnson: No, in fact he was told in the very beginning, during the briefing for the job, that although that Executive Agreement had been signed America was not honouring it and it was emphasised to Boyce that he must be very particular in what he sent back to Australia.

Tony Douglas: What was the result of him becoming incensed by what he saw his country's duplicity with regard to one of his allies, what did he do as a result of that?

Kelly Johnson: It took several months for Boyce to actually do anything. From the first day Christopher Boyce (pic in handcuffs) was working in the vault an employee who was working with him used to



tell Boyce stories about how easy it would be to pass certain information on to the Russians and how much money they would get for it. And this co-worker actually worked out the best and safest method for taking this information to the Russians. At first Boyce used to ignore this and then one day he discovered a telex message outlining the way the CIA had infiltrated the leadership of the Australian unions and were manipulating them to their own aims. And following that he then discovered information relating the way

the CIA was planning to destabilise the Whitlam government and it was then that the scenario that this co-worker had planned in advance for this contact with the Russians that Boyce carried it out.

Tony Douglas: What allegations did Boyce make about CIA involvement in Australian politics and under what conditions has he made these statements?

Kelly Johnson: Well, he tried to make specific allegations under oath during his trial but he was blocked except on two occasions when he talked of the CIA infiltrating the leadership of the Australian unions and he also talked about the daily deception that America practices against Australia at Pine Gap. Since his conviction he's been interviewed on two separate occasions. On the first occasion by Australia's 60 Minutes and then by an Australian journalist named William Pimwill in which he made rather more specific allegations. But

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it has been very difficult to get hold of a transcript of the 60 Minutes interview in order to be more specific on what he said.

Tony Douglas: Now Boyce was charged with espionage along with his partner Dalton Lee. It was basically around then passing on information in the so-called Pyramide file. Now what was the Project Pyramide?

Kelly Johnson: Pyramide was a project involving a satellite that was used solely for espionage. It was a system of push-button communications whereby human spy agents on the ground could communicate with the satellite in space which would relay the message directly to CIA headquarters in Langley.

Tony Douglas: When was this research project into Pyramide or this file compiled?

Kelly Johnson: It was first proposed in the late 1960s to TRW, which was the company that Boyce was working for, and it was in 1973 that TRW actually put their plans forward to the CIA with an estimate that it would cost between 300 and 400 million dollars.

Tony Douglas: And then what subsequently happened to the plans for Pyramide?

Kelly Johnson: Well, they were temporarily shelved because the CIA were unable to get funding in that particular fiscal year and it's then believed that another satellite with similar capabilities but with a few changes to it was actually launched and Pyramide was just kept as a plan, it was never implemented.

Tony Douglas: So what classification did that file have?

Kelly Johnson: Well, at that time it had an extremely secret classification. Mostly because it went against the tacit agreement that the USSR and America had drawn up together and it was subject to quite an extreme classification.

Tony Douglas: What's this tacit agreement that the Americans and the Russians had about this kind of spy satellites?

Kelly Johnson: Apparently when the SALT Treaty was drawn up in 1972 satellites had not yet been officially announced as being in existence and in fact they were only referred to in the SALT Treaty as national means of verification. Because neither the American nor the Russian governments wanted the public to be aware of the existence of satellites they had agreed among themselves that satellites would

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only be used for verification purposes and, of course, the Pyramide went against that.

Tony Douglas: Well, how did Chris Boyce come into contact with this Pyramide file? Did it come over the telex machine as well?

Kelly Johnson: No, not at all. The Pyramide file had actually been kept in a safe in the vault, which is the department where Boyce worked, and after Boyce had tended his notice of resignation from the black vault this Pyramide file mysteriously appeared on top of an unlocked filing cabinet where Boyce worked. Boyce asked about it, what it was doing there, what it was about, and he was told that it was a dead project and was of no value. So, in keeping with his policy of only sending in sensitive material he copied it and sent it to the Russians. And in fact this supposedly top secret file sat on top of that filing cabinet for 36 days.

Tony Douglas: Why was Boyce only passing on non-sensitive material to the Russians at this stage?

Kelly Johnson: That was his method of negating the mistake he made of contacting the Russians in the first place. The original contact with the Russians was made in a sense of outrage and also the immaturity that goes with being 21 and in that position. Once he had actually made that contact he realised that it was the wrong thing to do and to negate the mistake he began sending the Russians what the Russians eventually viewed as garbage, that he knew that they would get exasperated with, and frustrated with, and that's exactly what happened. It was the Russians who called a halt to the situation.

Tony Douglas: So he was tried simply on the Pyramide file and passing that on to the Russians, none of the other things that he did ever come to court.

Kelly Johnson: No, they didn't and yet there were many many inferences throughout the court hearing about the thousands of sensitive documents that he passed on to the Russians.

Tony Douglas: And why was it necessary to use the Pyramide file in particular to sort of seek his conviction?

Kelly Johnson: Well, it would seem that there were two reasons for this. Nobody was ever allowed to see any of the other documents and even Boyce's defence lawyers were not allowed to, even though they had appropriate security clearances.

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Tony Douglas: Why do you think Boyce was given such a long sentence - originally forty years - for this?

Kelly Johnson: Well, Boyce was obviously keen to talk about what he'd seen in the vault and the CIA was keen to shut him up.

Tony Douglas: Has access to Boyce been easy enough to talk to him and find out what information he has got, especially on America's involvement in Australian domestic politics?

Kelly Johnson: Absolutely not. Boyce is under ... he is in solitary confinement. He's been there for the last three years and will remain there for the duration of his term. He's also not permitted to have any contact with anybody whom he didn't know prior to his original conviction. He has been permitted to do three interviews: one with Australia's 60 Minutes, one with America's 60 Minutes, and one with an Australian journalist. And it was following the interview with Australia's 60 Minutes that he was put into a locked room with half a dozen members of the Aryan Brotherhood who were a neo-nazi group within the prison and they established beatings and have actually got a contract on his life.

Tony Douglas: And he is therefore likely to remain in solitary confinement?

Kelly Johnson: Absolutely. Boyce is allowed out of his tiny cell one hour a day to exercise alone in a walled courtyard and when he does go out he's tied by his wrist and ankles. So the conditions he's being kept under are really intense amounts of torture.

Tony Douglas: Over the last couple of weeks we've surveyed the evidence of CIA involvement in overturning the Whitlam government. We've looked at the work of Task Force 157 through the cover of the Nugan-Hand merchant bank and the crucial role played by US ambassador Marshall Green. We've seen the mighty ___ in action pumping up the Loans Affairs while CIA operatives such as T. Khemlani are shuffled on and off the national political stage. We also delved into the past associations of Sir John Kerr from his wartime intelligence work through his inaugural presidency of the CIA-front organisation Law Asia to his phone calls to the American embassy in the days before the dismissal. And we've seen how badly the Australian and American defence and intelligence community took the disclosures about Pine Gap and the first CIA Station Chief there Richard Stallings. But the question remains how did the CIA get away with deceiving and destabilising the Whitlam government? Former CIA officer Victor Marchetti looks at it in this way:

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Victor Marchetti: I would say that this would be done, to my experience, particularly in friendly host countries, is always done, with the knowledge of the host country. I mean, the CIA did not take these actions upon itself. It's done in cooperation with the local intelligence services and they of course provided assistance and protection. The CIA has worked with other intelligence organisations in other friendly countries in England, Norway, Canada, Germany, in a whole variety of countries in a large range of joint projects. The only reason the CIA would get involved in supporting certain political parties or undercutting other parties would be because we had the money and the expertise and so forth to be able to do it and this would be viewed as a cooperative venture because the host country welcomes the US. What you in Australia must understand is that you are more to blame than the CIA is because you want this to happen, you want a certain administration in control and you don't want another administration in control. The first question I tell all foreign journalists when they bring out this point is ... I ask them, 'look, you find out where the loyalties of your intelligence services lies. Do they lie with your country as a whole, for better or worse, or to the establishment in your country?' and in most instances the answer you find is 'to the establishment.' So in essence this is like in the old days in Europe where the nobility of various countries had more in common with each other than they did with their own people. This is true of intelligence services. They tend to have more in common with each other and their establishments which they represent than they do with their own people.

Tony Douglas: Well, what are the connections between American and Australian security and intelligence organisations? Jerry Aaron, co-author of *Rooted in Secrecy* looks at the history of secret agreements that link Western intelligence together, especially the UKUSA Treaty which was signed in 1947 and not known about even by Australian Prime Ministers until 1973.

Jerry Aaron: The quadripartite agreement which operated before the UKUSA was actually a means initially of keeping the equipment of the armies of the participating countries standardised and then was extended to the Navy and the Air Force. In other words, they simply lock each other into a particular scenario which is always the scenario of fighting common wars rather than self-defence. The quadripartite pact in 1947 involved the US, Britain, Canada and Australia and it was so secret that nobody ever knew anything about it. In has in fact had a D-notice on it, that's how secret it was, and as you know there are only very few D-notices in Australia which prevent the publication of material on particularly secret matters. The UKUSA Treaty was also signed in 1947 and when I say 'sign' it's so secret that nobody knows who signed it and in fact it's claimed that there is absolutely no written

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record. UKUSA, as the name implies, is the UK, USA and Australia but in fact other countries participate, and all the NATO countries are allied to it. UKUSA is about what in the jargon of the trade is called "sigint", which is "signals intelligence", which is all the lovely stuff we get from all the aerals and all the satellites in the sky spying on their enemies and on each other, and it's main components are the British outfit which is called the GCHQ which is General Communication Headquarters, and in Australia the agency concerned is the DSD.

Tony Douglas: What is the DSD?

Jerry Aaron: Defence Signals Directorate. I think it's now called Defence Signals Division, I can't remember which came first, but it's the same outfit anyway. Nor does it really matter because the whole thing is coordinated by the head office in the States, which is the National Security Agency which supplies most of the equipment and for whose benefit the whole thing is organised. This is really the means by which Australia is locked into the US war fighting capacity.

Tony Douglas: And we have been since at least 1947?

Jerry Aaron: Yes and it was so secret that in fact even successive Prime Ministers of Australia didn't know about it and the whole thing blew up when the existence of the secret DSD activity in Malaysia became publicised, and it was then that they tried to hush it up but, of course, now it is generally understood and known and I don't think nowadays people make such secrets about secret treaties anymore because everybody knows that most of what goes on in the foreign policy area of most of the countries concerned is in fact totally secret.

Tony Douglas: So when Ted Shackley sends a cable to ASIO asking them to do something about Whitlam can that be seen in terms of an order from the senior agency?

Jerry Aaron: Oh, most certainly. I think we should actually ... I think of what happened when Harold Salisbury who was Police Commissioner in the Dunstan government in South Australia. They had an inquiry into the Special Branch there after Salisbury was sacked for misleading the government and what he actually said when he was asked why he hadn't told the government the full truth he said, 'I would have merely justified a very severe criticism from responsible and official quarters and from security organisations beyond Australia' and he made it quite clear that his responsibilities were not to the government of the day but to other people and when he was pressed on the point as to who the other people were he said very weakly 'The Crown', but obviously the crown that he pays allegiance to sits in the U.S.

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Tony Douglas: Jerry Aaron's interpretation of the Shackley Cable is shared by former CIA agent Ralph McGehee. Was Shackley in a position to be ordering ASIO about, I mean, you worked under Shackley in Vietnam. Is he a senior CIA officer?

Ralph McGehee: Oh, yes, he was a top CIA officer. He was also one of Ed Wilson's closest friends. Ed Wilson, of course, was head of Task Force 157. Prior to that, Wilson had been in the CIA. And there are all sorts of evidence that Task Force 157 was also orchestrating the efforts to overthrow the Whitlam government.

Clyde Cameron: Well, ASIO has always been a compliant service for the American CIA. They have always done that. They have been quite sympathetic towards the CIA and let's not forget that the Australian intelligence organisations were the ones who were responsible for acting as a conduit for the CIA and Pinochet in 1973 when the CIA-backed Pinochet Junta moved in and overthrew the elected government of Chile. I know that members of the Australian Secret Intelligence Service (ASIS) were active in Santiago at that time and were acting in cooperation with the CIA because the CIA weren't able to function in Chile under President Allende. They had to do their dirty work through somebody else and they chose the Australian intelligence organisations. When I became Minister for Immigration I was appalled to discover that we had an immigration officer in Santiago who was in fact an ASIO spy. He wasn't a genuine immigration officer at all but was an ASIO spy who had been put on by my immigration establishment as a bona fide immigration officer and I sought to have him removed but the Prime Minister intervened and prevented the removal from taking place. I remember that when the Prime Minister discovered that ASIS had been active in Santiago he ordered that the ASIS operative in that area be withdrawn that they just ignored it, refused to do anything about it, and it wasn't until Whitlam took firm action and threatened to put the knife through a lot of these people who were responsible for ignoring his direction that they were withdrawn. But by that time, of course, the coup had occurred, Allende had been assassinated and Pinochet had been installed.

Ian Wood: That was former Whitlam Cabinet Minister Clyde Cameron. Before that you also heard former CIA agents Victor Marchetti and Ralph McGehee, Jerry Aaron, the co-author of *Rooted in Secrecy*, and Kelly Johnson of the Christopher Boyce Alliance. Next week, *Watching Brief* looks at the CIA interference in Australian and New Zealand trade unions.

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Part No 4

Clyde Cameron: Lionel Murphy was attending a meeting of world leaders in the fields of finance and commercial interests in which a top American businessman, who has a very close connection with the CIA, made the statement that 'we' [meaning the corporate world] have no trouble with governments, we can manage them, we can handle governments, but the difficulty always is handling the Trade Union movement'.

Jane Lanbrook: Welcome to the second half of Watching Brief this week. I'm Jane Lanbrook and today part 4 of our series examines the CIA's role in Australian politics. Producer Tony Douglas looks at the Agency's continuing attempts to subvert Australian and New Zealand Trade Unions. The CIA with vast sums of money at its disposal has resorted to bribery, contributed to campaign funds, established front organisations and most importantly has fully financed trips to the United States for local trade union officials. Once there the officials undertake training programs organised by the Agency. Former Whitlam Minister Clyde Cameron looks at the first of this, the so-called 'Leadership Grants.'

Clyde Cameron: Leadership Grants have been grants to trade union leaders in which they are invited to go to America for up to six weeks at a time, funded and given the first class hotel accommodation with first class return fares in order to brainwash them into inculcating in their thinking process, at the least, that private enterprise is the only way to go. And we can look at the list of the trade union leaders who have been invited to go to the U.S. and we can see a general pattern of right-wing people, people that we perhaps say on the centre-left who might be swung over to the right, being invited to go to America. I'm not suggesting for a moment that all of them have been brainwashed and that all of them have had their views subverted but the Americans must believe that they are getting good results because they continue to do it.

Tony Douglas: The Leadership Grant Scheme really took off when the national secretary of the Australian Workers Union, Tom Doherty, was invited to the United States. At the time the AWU, covering most rural workers, had a huge membership and virtual control of the Queensland Labour Party. During the 1950s and the 1960s the union was still all powerful and didn't even bother affiliating with the ACTU until 1967.

Clyde Cameron: Tom Doherty, I remember, when he was General Secretary of the AWU went on an extended tour in America as a guest of the CIA and while he was there they made a point of having him

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introduced to J. Lansdowne who had been a former communist but who had turned coats, so to speak, and had gone over to the administration, and J. Lansdowne asked Doherty to give him the names of the union leaders in Australia who ought to be invited to America under these so-called Leadership Grants. And Doherty supplied him with the names of a lot of people and whilst he was talking to Lansdowne, Lansdowne explained to him that no American Labour attaché can ever be appointed unless he has been verified by me and you can bet your buttons on it that ninety percent of Labour attachés are working either as direct agents of the CIA or in conjunction with them.

Tony Douglas: Do they get involved in actual union elections through the Labour attachés?

Clyde Cameron: Yes, of course, they do. They pay for costs of how to vote material, they pay for the cost of posting, how to vote material to union members when elections are held and in the 1964 elections for the South Australian branch of the AWU. I can speak for South Australia and I presume that it happened elsewhere in all the other branches as well. But in South Australia every AWU member on the roll had posted to him from Melbourne how to vote material telling him to vote against the Mick Young-Don Cameron-Clyde Cameron ticket. And the proof of that did come from the Labour attachés' offices in Melbourne and it was given subsequently by one of the people who had been working with the council.

Tony Douglas: The use of American Labour attachés in Australia by the CIA has largely ceased. The United States Embassy in Canberra has one Labour attaché compared to the six or seven they used to have working out of consulates in all Australian capital cities. Jerry Aaron, co-author of *Rooted in Secrecy*, looks at the critical role played by successive Labour attachés in Melbourne, home of the ACTU, the Arbitration Commission and the Labour Left.

Jerry Aaron: Some of them were quite clearly connected with the CIA. One of the more interesting ones is a chap by the name of Edward McCale and he, before that, was Assistant Director of the CIA Radio Free Europe and he was a representative of the USIA, US Information Agency, in London and he was a Labour attaché in Johannesburg. And then the operation there, or the cooperation of McCale with the trade union leaders was very close indeed. And after McCale returned to the US, he came back again in 1979, and he had been full of discussions which you may or may not regard as genuine where he spoke with Australian trade union leaders and discussed the state of the trade union movement in the United States with them, ostensibly. Another one was a chap by the name of Bob Bockenshaw [?] and both McCale

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and Bockenshaw were very closely connected to Bob Hawke. Bockenshaw was serving in Melbourne as a Labour attaché in 1962-64, he met Bob Hawke, and Hawke later on became a house guest, six years later, when he went to Washington on a visit. Bockenshaw officially retired from the CIA in 1976. There are quite a few others. A chap I know, Arthur Purcell, who also served in Victoria as a Labour attaché has an interesting history: he was a marine in Turkey, Holland, Tanzania and Monrovia. He completed a labour course in 1964, he served in Bolivia as a Peace Corps Director and in the Philippines and Peru as a labour political officer. Evidently in those countries they can make it much more plain that they are there to do a political job rather than anything else.

Tony Douglas: The use of Labour attachés and 'Leadership Grants' aren't the only avenues the United States has used to build a strong pro-American block inside the Australian Labour movement. For instance, the NSW right-wing has been very supportive of the Australian trade union program conducted by the Harvard Foundation. This program is supported by multinational business interests with its chairman being Brookes Wilson of Coppers International. Its list of trustees include a Who's Who of Australian business with some prominent politicians on both sides of the fence also involved. As well as that, there are some leading members of the trade union right-wing represented. For instance, there are four knights of industry among its trustees: Sir Peter Ables, Sir Garrick Agnew, Sir Tristan Antico and Sir Warwick Fairfax. Also amongst the trustees are avowed opponents of the union movement like Hugh Morgan of Western Mining. There is also Bill Dicks and Chap Chapman, managing directors of Ford and GMX in Australia, as well as Bob White of Westpac. Two prominent Liberal frontbenchers, Andrew Peacock and Ian McPhee are also there. And so is Bob Hawke, Neville Wran, Ralph Willis and Barry Unsworth. Labour MP and co-author of Rooted in Secrecy Joan Coxedge visited the United States in 1983 and went to Harvard University to find the Harvard Foundation.

Joan Coxedge: What I found out was very interesting. I made the quite startling discovery that there are in fact two Harvard Foundations. One Harvard Foundation is genuine and is situated right in the middle of the university and it is involved with university affairs. But I spoke with the people there and they were quite bewildered by my conversation because I found that they didn't know what I was talking about when I asked about a mysterious body paying for our trade unionists. So what I then did was to hunt around until I found the other Harvard Foundation that is funding the Harvard university trade union program and they had a very small office, I think it was on about the third floor of nondescript building. The person who runs the Harvard Foundation and Harvard trade union program is a man called

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Joe O'Donnell, the Executive Director, and to show the links with other right-wing organisations back in 1977 he was actually brought to this country by Enterprise Australia to come out here and put us on the right line as far as trade unionism was concerned. But it's a costly cause and when Australians take part in it, as they do with other trade unionists from around the world, the tuition alone is 2,500 dollars and this has probably gone up since then. The cost of their room is 1,250 dollars, their books are 200 dollars, the meals vary. And so you would say each participant would have to pay around about 5,000 dollars and that's very substantial. And, you know, you could argue that the people who are taking part in this ... some very powerful people that are taking part since it started in 1964 and some are witting and some are perhaps unwitting and it's interesting just to go back and have a look at the graduates of the Harvard trade union training program: back in 1964 we had Ralph Willis, 66 Barry Unsworth, 68 Joe Thompson, 69 Iron Workers Secretary Ronald Davidson, 71 John Radcliffe, then we had John Blakehurst Society of Engineers in 72, John Bannon Transport Workers in 73, and then in 75 John McBeen, we had a John Morris from the Liquors Industries Workers Union in 78 who is now a senator, we had Gary Weaven [?] in 78 who is now working for the ACTU but at that stage was working for the Australian Municipal Officers Association. Gordon Baze [?] from the Queensland Vehicle Building in 79, Michael Alfield from Sydney in 1979, John Bedden in 79 [must have been a good year], Kenneth Oath [?] from the NSW State Secretary and Federal Secretary of the Tramways Union, Errol Hother who is a very well know trade unionist from Queensland in Spring 80, Donald McDonald from the Professional Divers of Australasia in 1980, we had Raymond Evans in 1980, Tony Bella in 1980 from the Victorian Trade Hall Council, we had Robert Briskie in 81 and a G. Peter Mitchell from the Vehicle Builders Federation in 81, and then later in 1981 we had Ian Duffy from the NSW Iron Workers Union and Michael Eason.

Tony Douglas: The Harvard Trade Union Program for 1987 is now asking for applicants. In a letter from NSW Labour Council Secretary and 1975 graduate Jack McBeen, dated the 8th of September 1986, unions are asked to consider nominating suitable applicants. Included in the letter are some details about the training program itself and a list of previous graduates. McBeen says the course is worth over 6,000 dollars. Also attached is a letter from the secretary of the program in Australia to Michael Eason, himself a graduate of the course and now Assistant Secretary of the NSW Labour Council. In part it says, and I quote: "Having experienced the many benefits that the program has to offer would you please consider fellow trade unionists who may wish to benefit in a similar manner to yourself." Well, one of the benefits Eason may have enjoyed was becoming Australian Secretary of the short-lived Labour Committee for Pacific

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Affairs. The Committee was short-lived because its activities and links with the CIA were exposed in newspaper articles in 1973, both here in Australia and in New Zealand. One of the journalists involved was Denis Freney of The Tribune. I asked Freney who set up the Labour Committee for Pacific Affairs?

Denis Freney: It was set up by the US Information Agency which put up 300,000 dollars and by an organisation called the U.S. Youth Council which then worked with the AFL-CIO which is sort of the US equivalent of the ACTU and it went on from there. Essentially, however, despite the sort of rather strange way it was funded it was run by the AFL-CIO with a fellow called Larry Speck who was on the US Youth Council. I'm not sure what the US Youth Council is, except that is a government-funded body. So who he was and what all added up to I really don't know, except that, as we'll see, it had CIA connections.

Tony Douglas: When was it set up and for what specific reasons was it established?

Denis Freney: Well, it was set up in 1983. The basics, I know, was to get selected right-wing trade union officials from around the Pacific but particularly from the US, Australia, New Zealand, Fiji, PNG and the other island nations of the South Pacific together to discuss ... supposedly to discuss common interests and also to organise tours of trade union officials over there.

Tony Douglas: Who were the founder members of the Labour Committee on Pacific Affairs?

Denis Freney: Well, there were a whole range of people who had all sort of CIA connections. The program, the actual education side of the program, was handed over to the Georgetown International Labour Program which is turn part of the Georgetown University and its Centre of Strategic and International Studies. Now The Centre of Strategic and International Studies (CSIS) has as one of its directors a Ray Cline, who is a former Deputy Director of the CIA. The other person, though, was Roy Gudson, a person who has CIA connections and links with the very far right in the US. For instance, he wrote a book which was co-authored with a fellow called Ernest Lefevre, The CIA and the American Ethic, which tried to praise the CIA as the embodiment of the American way of life and so on and so forth. Gudson was also the son of a Labour attaché in Britain who was very strongly suspected of being CIA officer and he set up a similar organisation between British and other European trade unions and the American trade unions. So there is a whole range of people who have been directly involved in them including a former [US] ambassador to

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New Zealand who was quite honest about what the whole operation was about.

Tony Douglas: Yes, well he was asked in fact if the claims of Jim Knotts as head of the Federation of Labour in New Zealand whether the Labour Committee for Pacific Affairs was an attempt to split the Federation of Labour in New Zealand, what was Henning's reply to that?

Denis Freney: Oh, Henning sort of admitted that in fact they had worked behind the scenes, of course, he didn't try to deny it. But I think that the evidence is such that there is no doubt that one of the primary aims of LCPA [The Labour Committee for Pacific Affairs] was to form first of all ... the first object was to get together a solid right-wing inside the FLNZ [The Federation of Labour in New Zealand] which currently hasn't got an organised right-wing like we have in the ACTU. For instance, in the ACTU you've got the NSW right.

Tony Douglas: What was the chain of events in New Zealand? Who did they try to recruit into the NZ Committee and why did it fall apart?

Denis Freney: The Secretary of the New Zealand Labour Committee for Pacific Affairs was a fellow called Gart Fraser who was a Secretary of the Food Workers Union. And they had other people like Henry Boul [?] who was a former secretary in the Engineers union and later became appointed to the Arbitration Court, and Bob T. [?] from one of the white collar unions. The main person was Fraser. However, now he wasn't a very sensible choice perhaps because Fraser has not got a very good reputation perhaps as one of the brightest people around the trade union movement in New Zealand.

Tony Douglas: There is a lot of talk that this committee was set up because it looked very likely that a Labour government was to be elected in New Zealand and, as you said, it was backed by a union movement that didn't have any organised right-wing and a nuclear ship ban was very much on the cards.

Denis Freney: Yes, I think that was a primary thing. I think that it was also to tackle the raising anti-nuclear feeling of the whole of the South Pacific, you know, but specifically in New Zealand yes, that's precisely the set up just as it became more apparent that it was probable that Lange was going to win the elections and so they needed to intervene and they have continued to intervene at all sort of levels but maybe in a less obvious way.

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Tony Douglas: Let's look at some of the personnel on the Australian committee of this Labour Committee for Pacific Affairs. For a start, Michael Eason?

Denis Freney: Michael Eason is a young guy who is university trained. Originally, he sort of flirted with the left but has become one of the main people in the NSW right-wing machine. Eason was the Australian secretary of the committee, a branch of the Labour Committee on Pacific Affairs, and spent quite a bit of time going around with some of the Americans involved, going around the South Pacific trying to get or select trade union leaders from the South Pacific involved in this operation. He played a very important role in fact in it. Now he would have been well aware of the sort of people who were involved on the American end, although he tried to defend himself ... and John McBeen tried to defend themselves at some stage by saying 'oh, well, all the union people over in America are just sort of really Liberal Democrats, you know, Kennedy democrats.' And the reality is, of course, that the tours they organised were tours were they were given the Reaganite line.

Tony Douglas: What's McBeen's role in this Labour Committee for Pacific Affairs?

Denis Freney: McBeen was involved, how deeply involved we don't know, but subsequently McBeen withdrew from it and I think it was one of the reasons why the whole thing collapsed. I think some elements in the NSW right realised that this was just not on to be so publicly associated with a group that had so many links with the CIA.

Tony Douglas: Let's look at Gerard O'Keefe. What was his role and what is his background?

Denis Freney: Yes, well, O'Keefe is officially organiser of one of the International Labour Workers Union in the States. He's an old time CIA agent. He was named as such by Philip Agee back in the fifties and sixties, always working through the trade union movement. He was in Latin America for a while, he was even in Chile when they were destabilising the Allendé government, and his role there was to develop whatever contacts he could inside the trade union movement to turn against the Allendé government and destabilise it, of course. There were a whole number of miners' strikes which were very much influenced and supported by the CIA. And he was filmed by British Granada TV operating in Chile in this period and he was exposed, you know. Now, there are many many stories about O'Keefe. He has been around this part of the world quite a bit, he's been in contact with the Clerks' Union and with other far-right union organisations. And at one stage he tried to get into New Zealand back in the 70s and because of

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the reports, he was so notorious, the NZ Federation of Labour said 'yes we were happy to welcome him if he categorically denies that he is working for the CIA', and O'Keefe never would deny that. Now his connection is that he in fact was up to his neck in this whole Labour Committee for Pacific Affairs and in fact lectured chosen right-wing unions from here and New Zealand, Fiji, etc., who went over there, gave them lectures about how to run a good trade union.

Tony Douglas: Can you tell us something about these tours that people were taken on. For instance, lecturing in one of the tours in October 1983 was a person called Erwin Brown.

Denis Freney: Yes, they are lectured by people whose associations with the CIA go back a long while. Gerard O'Keefe was one, we already mentioned him. Erwin Brown is even more notorious, I mean, Erwin Brown goes back to the forties when the CIA decided that they were going to try to destroy the control of the Communist Party of France and Italy in particular over a lot of trade union movements and one of the most notorious things that Erwin Brown was involved in was the operation in Marseille where they used Mafia elements linked up with the Union Cause, which is the French Mafia, to try to drive the Communist Party out of control of the docks and they funded the Corsican Mafia to take over the docklands and, of course, Marseille became the centre of the heroin trade and that's the whole story of the French connection. Basically they got control of the whole base of the unions in the docklands of Marseille because of the help of the CIA and the man in charge of the operation was Erwin Brown. And that's been documented by people like Tom Braydon who was one of his workers or outsiders and he proudly said, you know, because he was still pro-CIA, that Erwin Brown did a great job in driving the communists out of Marseille harbour. So Erwin Brown goes back that far and he is probably the most notorious of the lot of the trade union officials and he's been in Africa, he's been in South Africa, he's been in Latin America and he pops up again here because he's an old man now lecturing these Australian trade unionists. But they also got lectured by people from the Reagan's National Security Council. Now the National Security Council is in fact the body that gives the CIA orders. You know, it says 'get rid of that government or we'll invade that country. We'll support that government' in the case of countries like Chile under Pinochet and so on. So, yes, I mean, they were lectured by the National Security Council, they were lectured by the Arms Control bodies of the Reagan administration. The other important thing about the ICLPA was that it frankly said that these union officials got together because of common trade union and political interests. It was openly a political body and that's another reason why it fell, you know, because they were too sweet in putting 'political' in it, they

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should just have pretended that they were trade union people getting together for a nice chat and how to win more for the workers.

Part No 5

I'm Jane Lanbrook. Last week, in part 4 of the series, we looked at the CIA's attempt in 1983 to split the New Zealand Federation of Labour through the activities of the short-lived Labour Committee for Pacific Affairs. This move to split the unions was seen as a last ditch attempt to destroy Labour movement unity at a time when the Labour Party, with its anti-nuclear policy, was heavily favoured to win the 1984 elections. This week we look at attempts being made to destroy the Lange Government against the background of heightened American interests in the South Pacific and the CIA's previous record of interference in New Zealand politics.

Tony Douglas: Since the Lange Government announced its nuclear ships ban it has been publicly pressured by the United States and its allies to reverse the policy. But are there indications that the Reagan administration, having failed to change the New Zealand government's policy, are planning, through the CIA, to change the government? One person who thinks so is former CIA agent Ralph McGehee who visited New Zealand recently.

Ralph McGehee: I've certainly seen indications that it is involving itself. I can't state 100 percent but certainly I have seen indications. The first thing you do, of course, you create an enemy and all over the United States and over New Zealand you see the editorials all saying that 'the Russians are coming to the South Pacific'. You have to create an enemy so you can discredit anybody who is opposed to your policy. So with this strong thing that 'the Russians are coming' then anyone who is soft on nuclear issues, nuclear free issues, and soft on defence can be labeled 'pro-communist', 'pro-Soviet' or 'communists' themselves. Then you have the attempts to penetrate the media. USIS, the United States Information Service, has been sending back a stream of media types, academicians, politicians and Labour types to the United States for red carpet treatment and when they come back their opinions towards American policy has changed for the better, if you will, and one would suspect the hand of the CIA in some of that. You have the attempts to establish Labour unions in New Zealand, right-wing think tanks, united with the issues that 'the Soviets are coming.' Now if I were relating the scenario for the elections next year what I would do is to attempt to split the Labour party by various techniques, dirty tricks, forging documents and leaking documents. Before I left New Zealand, four documents of the

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Lange Government had been leaked to the media. One of the documents related to its policy towards unions, a very divisive document. Well, you have the same thing in the Whitlam overthrow. Documents were being leaked all over the place and it was instrumental in the removal of two Cabinet ministers. Well, the same thing seems to be happening in New Zealand. But as the elections approaches you can anticipate forged documents being released, poisoned pen letters to further divide the Labour Party, to divide the Labour Party and to divide and conquer if you want. There have been reports that the National party, the opposition party, has gone to the CIA for funding and this is very standard part of a political operation. If I was doing it, I would split the Labour party, fund the National party and maybe just before the elections keep 'the Russians are coming' thesis going to keep the pot boiling. But just before the elections, a document would be released that would implicate prominent members of the Labour party in relations with the Soviet embassy. Then, when that's documented with prominent media coverage, you need media operations ... when the elections are held that document has had an impact on the votes. Then after the votes, the election is over, the National party wins, then a commission is set up to establish the links of the Labour party members with the Soviet embassy and over a period of two years nothing develops, it's just a device to deceive public opinion. At the same time I would try to destroy the peace movement. I would do that by penetrations of the peace movement who would try to divide and conquer, who would label effective members of the peace movement ... do what we call 'put on a smith jacket'. In other words to say that a person is working for the police or for the intelligence services, just to discredit him and destroy his effectiveness. Or in a case of a parade the peace movement might call, just at a critical moment, the penetration agent would pull out the New Zealand flag and burn it to make sure that the media coverage was all focused on that rather than the real intent of the peace movement in the parade. And all the various dirty tricks would be used to not only destroy the peace movement, to destroy its credibility, but also to divide the Labour party and to support the alternative party.

Tony Douglas: In McGehee's scenario the creation of a Russian threat is the first step in bringing undone the Lange Government and its nuclear ships ban. Perhaps this goes a long way to explaining the story of the mystery nuclear submarine which appeared inside the territorial waters of the Cook Islands between the 17th and 21st of February this year (1986) and led to weeks of speculations, alleged leaks and innuendo in the New Zealand media. The Cook Islands, to the northeast of New Zealand, are about four hours flying time from Auckland. While the Cook Islands were granted self-government in 1965 they still rely on New Zealand to defend them. The first sighting

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of the submarine was made by two Cook Islanders when they were traveling on an inter-island flight. Three days later there was a second report of sighting by two Tahitian fishermen. At this stage, the New Zealand Air Force moved in and sent two Orion aircraft in search of the submarine. New Zealand peace researcher Allan Wilks takes up the story.

Allan Wilks: It seems that the plane took off at midday that day and they actually obtained a clearance to fly directly back to New Zealand. But then, instead of flying back to New Zealand, they diverted them through the other side of the island and they started flying a path back and forth in the area where the submarine had been seen just that morning and they discovered the submarine within an hour or two and so they radioed back to New Zealand and another Orion was sent up and for the next two and a half days they kept that submarine under continual surveillance and, apparently, they were dropping sono voi into the sea all the time and the sono voi picked up the noises of the engines and so on made by the submarine and from that they were able to recognise it as a nuclear submarine, because nuclear submarines make different noises than diesel submarines obviously, and they were also able to identify the nationality of the submarine.

Tony Douglas: What kind of technology did they have with this sono voi, how do they operate and how could they discover it was a nuclear submarine and identify which nationality it came from?

Allan Wilks: Well, the sono voi is a cylindrical object which is dropped from the aircraft and it contains a hydrophone, a microphone that works in the water, and the hydrophone just picks up the noises that is made by the engines and the propeller and then the voi itself has a little radio transmitter and it transmits those noises back to the aircraft where they listen to them and tape record them and analyse them on video screens and it's very obvious that a nuclear submarine is going to sound very different from a diesel submarine because you sort of get the pounding of the diesel engines if it is a diesel submarine whereas if you listen to the noises from pumps and valves and turbines it is a nuclear submarine. And then, apparently, different classes of submarines have quite distinct sound signatures, as they call it, you know, it's like ... if you've got your eyes shut and you listen to cars go past the chances are that you can tell the difference between the noise made by a [Morris] Minor and a Jaguar and the same thing applies to submarines so it's quite easy to identify a particular noise that is coming from an American submarine rather than a Russian submarine and, apparently, that is what happened in this case. Initially they were quite positive that they identified the submarine as an American submarine. Now, this has never been admitted publicly but I got it from people in the Cook Islands. The

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Cook Islands government was told three days afterwards by the New Zealand government that it was an American submarine that had been detected there.

Tony Douglas: Soon after a political game of ducks and drakes began in the New Zealand media with much speculation as to the identity of the submarine. On March 4, Allan Wilks after putting together the facts went public claiming that the submarine was probably American. This drew a sharp response from the Chief of Defence Staff, C.U. Jamison, who asked Wilks to produce his evidence.

Allan Wilks: That was also somewhat unprecedented for the Chief of Defence Staff to enter into a public debate on his own accord and he challenged me and demanded that I produced my evidence that it was an American submarine. And this was rather interesting because at that stage I hadn't particularly claimed to have evidence. I had simply concluded, from the public information, that it appeared to be the behaviour one would expect from an American submarine that was trying to masquerade as a Soviet submarine. And I heard afterwards that the reason why the Chief of Defence Staff came out like that and demanded that I produced my evidence was that he was trying to track down a suspected leak within the Ministry of Defence. He figured that if I was saying that so confidently then I must have got information from someone within the Ministry of Defence to the effect that it was an American submarine.

Tony Douglas: Well, talking of leaks ... all sorts of leaks started to appear in the New Zealand media about it being a Soviet submarine. Now, from about what date did these leaks start coming out that it was a Soviet sub and do we subsequently know where those leaks came from?

Allan Wilks: The leaks started coming very soon after we broke the story. Maybe I should say a little bit more about the leak. The first thing we got here about was that New Zealand aircraft were searching for a submarine. And then the story went completely dead and no journalist offered to pick up one or anything like that and several days afterwards I decided it was time to start inquiring about it and that was when we found out that a submarine had indeed been detected and the government was refusing to say whose it was. But it was very soon after that one or two journalists started to be fed what was supposed to be leaks and none of the journalists have admitted who they were getting the leaks from at all. They said that they were getting leaks from 'trustworthy sources'. One journalist said that he got his leak from a 'Western embassy' which was not the United States embassy. You still haven't thought that one out. But the leaks, the alleged leaks got more complicated as the public story got more

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complicated too and the final leak was to the effect that it very definitely was a Russian submarine but the Chief of Defence Staff did not want journalists to report this because he didn't want to be seen as pressuring the government on this issue.

Tony Douglas: But the New Zealand government was pressured on the issue. In fact, Mr Lange changed his position on the submarine three times in the space of a month. On March 10, he declared he knew the identity of the submarine, was prepared to reveal whose side it was and would deliver a protest to its owner if the Cook Islands wished to. Four days later Lange did an about face saying he wouldn't reveal its identity. And on April 7, just over three weeks later, said that he didn't know its identity but intended to find out. Why the change of story? Allan Wilks again.

Allan Wilks: The Prime Minister's office, I'm pretty sure, was initially told that it was an American submarine. The military were very worried about this, that they were upsetting and embarrassing an ally by having discovered the submarine and so they were searching for ways of getting out of this admission. Subsequently, and I think the United States government obliged by coming up with a denial that they had a submarine anywhere near that place at that particular time, and of course the United States was doing something quite unusual there because it's like nuclear weapons the United States doesn't normally admit to where their submarines are at sea at anytime. It's the old 'neither confirm or deny' policy so that allowed them to introduce the confusion. Whether some particular pressure was put on the Prime Minister to change his story there or not, but it's certainly quite remarkable the change that took place. At one stage, he was sort of joking about the whole business and saying that he was considering going against his own defence people and revealing the nationality of the submarine and then suddenly he made that change and said he wouldn't say anything and then the other change was when, and this was a more gradual change, when the government started to say, you know, 'maybe there wasn't any submarine there at all. Maybe we just detected a fail or something or other like that.' And that case, that change came about because of a report from the Australian Joint Intelligence Organisation (JIO). Now, JIO as a matter of course, apparently, is to see all our tape recordings and so on of submarines that are picked by Orions and on this occasion they analysed this reporting and they concluded, so it seems according to the leaks that have come out, they concluded that it was certainly not an American submarine and probably not a submarine at all. I would say that they have had the pressure put on them by the United States to diffuse the story.

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Tony Douglas: I'm just having a look at the assessment of the Joint Intelligence office in Australia that they probably sighted a whale. Does that hold a lot of credibility? I mean, is there a possibility that there wasn't in fact a submarine there at all?

Allan Wilks: Apparently it does happen that if you are using what they call an active sonar in which you create an underwater noise and then you listen for the echoes of that noise coming off objects that are in the ocean, that the echo of a whale can sound quite similar to the echo of a submarine. But in this case, it was not active sonar that they were using. The fact that they identified the engine noise and all that sort of thing indicates that they were using passive sonar, the kind of sonar in which you're simply listening and there is no way you can mistake the song of a love sick whale for the sound of a diesel engine or a nuclear power plant.

Tony Douglas: Of course there were other elements to this story. The Prime Minister of the Cook Islands, Sir Tom Davis, a former employee of the United States Army and strong supporter of the Americans blacked out news coverage of the submarine in the Cook Islands from February 25 for 51 days and refused to comment even though the Cook Islands territorial waters had been violated. The leader of the opposition National party in New Zealand, Jim Bolger, refused even to be briefed on the issue. And the National party disarmament spokesperson, Doug Graham, checked with Cook Islands MP Vincent Ingraman about the identity of the submarine and when told it was American made no further comment. While the submarine episode appears to be an obvious set up what about the rest of McGehee's scenario? Do members of the New Zealand government see it coming through as well? Here is government member and party whip Fran Wall.

Fran Wall: Oh, yes, I think there is a lot of truth in what he sees. The American diplomatic presence in New Zealand has been considerably strengthened in terms of quality if you want. Since this has happened they now have a professional ambassador there whereas prior to that it was a political appointment and the man they have there is a very good propagandist and in fact has a background which indicates that they are taking it seriously. There is a stream of American visitors through New Zealand, academics and politicians, who work both publicly and privately to try to change what we are doing. There is also a stream of New Zealanders invited over to the United States at the U.S. government expense who are briefed and given the American point of view on what we are doing.

Tony Douglas: Much of the concern centres on the appointment of career diplomat Paul Cleveland as United States ambassador to New

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Zealand in January 1986. We tried to interview the ambassador for this program but were told he was unavailable to talk to the Australian media. Perhaps that's not surprising seeing he was a protégé of Marshall Green who was American ambassador to Australia during the Whitlam years and whose role in Australia in 1975, Greece in 1967, Indonesia in 1965 and South Vietnam in 1963 have been commented on in an earlier part of these series. Cleveland himself worked under Green in Indonesia in 1965 just before the CIA-inspired coup by the military. According to Cleveland, Green was, and I quote, "one of America's greatest professional diplomats and I learnt an infinite amount from him". Cleveland was also Green's Special Assistant at the East Asian Desk in Washington from 1970 to 1973. Since then, Cleveland has held several senior postings in South Korea so he has much experience in representing United States interests in politically sensitive areas. But how do government members feel about his appointment. Fran Wall again.

Fran Wall: New Zealand is aware of that connection and perhaps is slightly different here in that you don't need a coup to overthrow a government, you need an election loss, after all the Americans did say they would change our nuclear policy, our anti-nuclear policy, and having failed to change that I suppose it's logical to think that they would have an interest in a change of government here indeed. Firstly, Mr Cleveland is a very active propagandist and seems to be very caught up in his craft so I would imagine that the decision to send him here was a deliberate one.

Tony Douglas: Is that propaganda aimed at the New Zealand public in general or is it aimed at certain powerful groupings inside the bureaucracy or the New Zealand military or the New Zealand conservative opposition?

Fran Wall: It is aimed at both actually and the public is ... there has been a very high rate of influx of American visitors who have come around the country and done lecture tours and talked to various groups and given media interviews. These have included politicians and academics. They are obviously aimed at changing public opinion on softening our nuclear issues and, in fact, I recall and I can't remember whether it was the ambassador or another embassy official, somebody actually did state at one stage that that was their intention, that they wanted to inform or educate the New Zealand public on our policy. However, they also have been aiming at specific opinion leaders picking men through a very active program of exchange in the opposite direction and they take journalists over to the United States, they take politicians over, trade union leaders and run them through a briefing process over there.

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Tony Douglas: Which organisations in New Zealand have rather been hosting these visits or have been producing this kind of pro-American propaganda?

Fran Wall: Well, the visits are arranged through the embassy. I mean, they have a politician over, he is here as an American visitor with that sort of status. There have been others though, for example, there is a newly apparent rise in the fundamentalist right in New Zealand and they have very actively hooked them to the American Law majority type of movement and they have brought visitors over to New Zealand and their criticisms of the government have not simply been on the so-called moral issues or lifestyle issues but also, of course, on our foreign policy as well.

Tony Douglas: Nobody should be surprised that the New Zealand Labour party is aware of these machinations. After all, the United States involved itself in the last New Zealand elections. Australian journalist Denis Freney looks at the record.

Denis Freney: Yes, well, I mean there was open intervention there by the Americans. I mean, the ambassador, they had a whole range of official visitors, people like Vernon Walters who is now Reagan's ambassador to the United Nations. But he was a former Deputy Director of the CIA and in fact was Acting CIA Director when the coup took place in Chile. And he came out and they had admirals coming out and so on. All making statements trying to sort of say, you know, 'this is the end of our relationship. You can't vote for Labour.' In the lead-up during the election campaign there was open political pressure, there were leaked stories in the media, there was enormous amount of pressure to at least come in politically behind the National regime. On the other hand, there is also suggestions, and they have not actually been proven but suggestions, that the National party has been funded by the CIA or if not by the CIA then by U.S. government institutions.

Tony Douglas: The accusations of CIA funding for the National Party go back a long way. Fran Wall looks back to the watershed year of 1975.

Fran Wall: There was a very intense but effective television advertising campaign run in 1975 at the time of the defeat of the New Zealand Labour government which was purported to have been funded by an American-based agency with connections to the intelligence world. And, of course, the time the New Zealand government was thrown out was also the same time the Australian

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Labour government was overturned and I know that there has been a lot of unrest in Australia about the reasons for that.

Tony Douglas: But back to the present day, how do you deal with the destabilisation campaign that is happening now?

Fran Wall: I think you deal with it by having a public that is aware of what's going on and it seems to me that there is quite a high level of public consciousness of the desire of other states to change our policy. Perhaps the mistakes the Americans are making is in assuming that our policy is in fact something that has been sort of rushed through and placed on the New Zealand public by the Labour government. That in fact is not the case, it's totally the opposite. It is a very widely supported policy and has been for a long time and I believe it is one of the reasons why the government changed in the last elections and why Labour was voted in.

Jane Lanbrook: That was the fifth of our series on the CIA and its role in Australia and New Zealand politics. Appearing on the program was former CIA agent Ralph McGehee, New Zealand government member Fran Wall, New Zealand peace movement researcher Allan Wilks and Australian journalist Denis Freney. These programs were produced by Tony Douglas. Well, that's all on Watching Brief this week. if you'd like more information or cassette copies of the program or if you've got information that may be of interest contacts us on Public Radio News Services, P.O.Box 103, Fitzroy, Victoria 3065. Or call us in Melbourne at 417 7304.

Watching Brief is produced by Ian Wood and Tony Douglas for the Public Broadcasting Network of Australia.

RUSSIA CYBER DESTROYS CLINTON

http://thenewdaily.com.au/news/2017/06/24/putin-hacked-us-election/?utm_source=Responsys&utm_medium=email&utm_campaign=20170625_Sunday_Best

Obama warned Putin to stop hacking Hillary: report

9:31pm, June 24, 2017

Russian president Vladimir Putin gave specific instructions to damage the presidential campaign of Hillary Clinton and help elect her opponent, Donald Trump, the Washington Post has reported.

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A secret memo, delivered from the CIA to President Barack Obama and three of his advisers at the White House in August last year, included an "intelligence bombshell" that Mr Putin was directly involved in cyber attacks on Clinton's election campaign.

The intelligence revealed Mr Putin's instructions and aim to defeat, or at least damage, Democratic nominee Hilary Clinton.

Hackers with ties to Russian intelligence services skimmed through the Democratic Party computer networks as well as the Republican system for more than a year, the story reported.

In July the FBI opened an investigation between Russian officials and Trump associates. Then on July 22 nearly 20,000 emails stolen from the Democratic National Committee were posted online by WikiLeaks.

According to the newspaper, President Obama confronted the Russian president in China a month after receiving the message during a meeting of world leaders.

Citing a senior aide, President Obama reportedly told Mr Putin "we knew what he was doing and [he] better stop or else."

The Washington Post said the White House considered the intelligence on Putin a serious national security threat and a secret intelligence task force was formed to respond.

During a five-month period, the Obama administration contemplated options to punish Russia for the cyber attacks before issuing expulsions to 35 diplomats and the closure of two Russian compounds in December.

The Washington Post reported the Obama Administration regretted they had not taken tougher action after Mr Trump's shock victory over Democrat Hillary Clinton.

"From national security people there was a sense of immediate introspection, of, 'Wow, did we mishandle this,'" a former administration official told the newspaper.

President Donald Trump was quick to blame the Obama administration after the story broke on Friday (US time).

The US newspaper claims the story was obtained by sources within the Kremlin.

The story of Spy Christopher Boyce

Source: <https://newmatilda.com> March 2, 2005

On 23 May 1982, in Leavenworth Federal Penitentiary, Kansas, Ray Martin interviewed a young man called Christopher Boyce (pic) for the Channel Nine TV program, 60 Minutes. (Martin was working in Nine's New York office at the time. It is somewhat difficult to square up the



Boyce interview with the Martin we see today.) Boyce was serving a prison sentence of forty years for having sold military secrets to the Russians. Like the atom spy, Klaus Fuchs, before him, Boyce was a 'traitor'. It was seven years after the dismissal of the Whitlam Labor government in 1975. Boyce was apprehended and convicted of espionage in 1977. ([link here](#))

Boyce's background is interesting. His father was an FBI agent and the family was affluent,

ultra-conservative Catholic. Young Christopher was an altar boy. The Boyces lived in Palos Verdes, Southern California and were typical of artist Norman Rockwell's America.

In 1972, Christopher Boyce – having dropped out of college – was a telex operator and cipher clerk for TRW, ([link here](#)) an aerospace and weapons contractor with close links to the CIA. (Today, TRW is a principal player in America's 'Star Wars', missile defense program.) Boyce's job was to send and receive telexes between agents in Australia and the CIA headquarters in Langley, Virginia. ([link here](#)) The messages generally concerned information about Chinese and Russian military activity gained from the installation at Pine Gap, near Alice Springs – information the US was supposed to share with Australia, under a secret agreement reached in 1966.

The mid 1970s was the time of the Watergate scandal, the fall of the Allende government in Chile and the trials and tribulations of the Whitlam administration.

The election of the 'socialist' Whitlam government in 1972 was a nasty blow to the Americans and the CIA – especially when it was bruited in 1974 that the Labor government might not renew the Pine Gap Agreement.

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Ray Martin's 1982 interview with Christopher Boyce was – to use that over-worked word – 'explosive'. Boyce alleged that the CIA had engineered Whitlam's downfall and had not honoured the 1966 agreement to share the military information gained at Pine Gap. In short, Boyce was disillusioned at the way America was treating its allies. He was angry at the CIA's 'dirty tricks'.

In the interview with Ray Martin, Christopher Boyce further alleged that the Labor-appointed Governor-General, Sir John Kerr, was referred to as 'our man Kerr' by some senior CIA operatives, that the aim of the CIA was to destabilize the Labor Government and get rid of Whitlam, that the CIA had infiltrated the Australian trade unions and that the CIA had 'friends in high places' in Australia. Boyce also said that security at TRW was of the 'Keystone Cop' variety and he had no trouble in getting secret documents out of the building, or photographing them. (The employees of TRW used to make daiquiris in the document destruction blender; and marijuana was grown in the Communications Room.) Boyce was paid a total of \$76 000 by the Russians; but he said his primary aim was to confound the activities of the American government, who, he said, by stockpiling nuclear, chemical and biological weapons, 'would cause World War III'.

Astoundingly, after the interview was aired on 60 Minutes, no comment appears to have been made in the mainstream media, whatsoever. Was this a 'D-Notice', or was the media told to shut up? Now, the taped interview lies safely in the archives of Channel Nine.

(Subsequently, in 1988, Gough Whitlam did say that he had no doubt the CIA had been involved in the 1974 dismissal, but Australian Associated Press proclaimed: 'Whitlam doesn't see CIA/MI6 hand in events of 1975.' Only the Melbourne Age ran the story differently and said that Whitlam was convinced the CIA played a part in his downfall.) (See Pilger: A Secret Country, which discusses the dismissal in some detail.)

However, the Martin interview with Christopher Boyce was taken up by Public Radio News Services in a six-part series, Watching Brief, in October 1986. (3CR in Victoria). A 'Christopher Boyce Alliance' was formed, involving backbenchers and some ex-ministers of the Whitlam government; but this appears to have come to nothing. After

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1988, the Christopher Boyce affair and the supposed CIA involvement in the 1975 dismissal were dead.

So why bother with all this? Shouldn't we – to use the fashionable phrase – move on? Shouldn't we make closure? Next November, it will be thirty years since the Whitlam dismissal.

That the CIA was in some way involved with the termination of the 1972-75 Labor government, there seems little doubt. The burial of the Ray Martin interview and the reluctance of the mainstream media to discuss the issue proves just how supine and gutless the media in this country was and is. On a deeper level, the silence over Christopher Boyce demonstrates the limitless capacity of Australians for secrecy, forgetting and self-deception. We cannot bring ourselves to believe that we could be victims of realpolitik. Most other countries are, so why not us? To suggest now that the CIA may have played a part in the downfall of the 1972-75 Labor Government puts one in the category of those who believe in UFOs, or aliens from Outer Space.

The Pine Gap Agreement was renewed by the subsequent Fraser government, and after that, Labor PM, Bob Hawke, advised the people of Australia no longer to 'maintain their rage'.

The activities of the CIA in Australia seem not to be so aggressive these days. They have no need to be – we have a government at the beck and call of Washington.

In 1985, the Christopher Boyce story was made into a creditable film, called *The Falcon and the Snowman*, starring Timothy Hutton and Sean Penn. It is worth watching. (Boyce was interested in falconry and his friend and courier, Andrew Daulton Lee, was a drug-dealer.)

After successfully making a case to the US Parole Commission, Boyce was paroled in 1997; but his present whereabouts is not known.

TODAY



Advanced technology in the hands of unaccountable arrogant intelligence agencies continuing interference of government outside USA is further exposed by Julian Assange and Edward Snowden.

Playing that same game Christopher Boyce blew the whistle on in 1972 suggests Intelligence lacking Intelligence remain very spooky and believe they continue invincible.