



When Britain pulled out of Rhodesia after the 1965 Unilateral Declaration of Independence, the CIA worked to ferret out details of the sanction-busting. In the popular traditions of spying, secret documents were used to convey messages in invisible ink. It was a shock to one of the informers was a prominent lawyer. But it was not the CIA had expanded into an area where the British were unactive in Egypt, Iran and Syria. E. H. COOKRIDGE ends his column and looks at the Director, Richard Helms

DEAD LETTERS

MANY of the bright young men Allen Dulles had recruited to CIA from law offices and universities had gained their spurs in London, where they were sent to glean some of the methods of the British Secret Intelligence Service. Dulles enjoyed making wisecracks about the Victorian and Indian Army traditions still surviving in the British secret service, but he had a healthy respect for its unrivalled experience and great professionalism. He knew that CIA could learn a lot from the British about operations in the Middle East and Africa, where its stations were rapidly expanding.

After Archibald Roosevelt, one of CIA's foremost "Arabists", had restored cordial relations with SIS when station head in London, a plan of cooperation was devised for Africa, where most of the former British colonies had gained independence, and were becoming subject to strong Soviet and Chinese pressure. Roosevelt was still in London when, in 1965, Rhodesia made her momentous "Unilateral Declaration of Independence" (UDI), which led to the conflict with the British Government.

There is no better instance of the strengthening of CIA-SIS collaboration than the hitherto undisclosed story of the services CIA rendered the British authorities in Rhodesia, particularly since about 1968.

Indeed, in assisting the British SIS in its thankless task of implementing the policy of economic sanctions against the Smith regime, CIA put its relations with the Portuguese in jeopardy. It has an enduring understanding with the Portuguese Government and its PIDE secret service on many aspects: NATO security, anti-communist operations, the use of radio stations in Portugal and her colonies, and of bases for the U-2 spy planes and Special Forces in Mozambique, bique and Macao. However thin the

IN SALISBURY

British sanction policy became, British consular offices and SIS men were supposed to watch the steady flow of Rhodesian pig-iron, tobacco, and other products through the Portuguese ports of Lorenzo Marques and Beira in East Africa to Europe and the Far East. Merchants and shippers there had made fortunes out of the traffic which the Portuguese were bound, by United Nations resolutions and agreements with Britain, to regard as illegal.

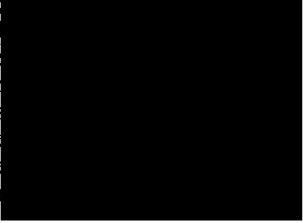
After the closure of British missions in Salisbury all information about Rhodesian exports dried up at source. At this juncture CIA stepped in to assist the British. It was not merely a labour of love. American tobacco syndicates in Virginia, Georgia, North and South Carolina, Tennessee and Kentucky greatly increased their production and sales to Europe when Rhodesian tobacco growers lost most of their trade through sanctions. Traditionally, Rhodesian tobacco was used for cigar and cigarette manufacture in Belgium, Holland, Germany and Switzerland. When these supplies dried up, European manufacturers turned to American growers. But by and by Rhodesian exports began to flow again, by the use of false certificates of origin and smuggling through the Portuguese ports and through Durban in South Africa, much to the displeasure of the Americans.

Thus, obliging the British and helping American business, CIA ordered its agents to ferret out the secrets of the sanction-busting schemes devised by Mr Ian Smith's regime. Soon the CIA station in Salisbury was bustling with activity. Since 1962 it had been headed by Richard La Macchia, a senior CIA official, who had joined it in 1952 from the U.S. Naval Intelligence and had come to Africa in the guise of an official of the U.S. Development Aid Agency.

Other CIA men were Cape Town, former A. Francis Murray who had had a cloak-and-dagger career in Cuba and Congo and several other posts. The most prominent was Edward Salisbury.

From 1957 from the State Department, from 1959 he headed the East and South African section and, at the time of his new appointment, was Station Head in Pretoria. Among his various exploits he was reputed to have initiated the first contacts between the South African government and Banda of Malawi.

The CIA agents were perpetually journeying between Salisbury and the Mozambique ports, and Murray was temporarily posted to Lusaka to maintain personal contact with British officials resident in Zambia. Mr Ian Smith and his cabinet colleague, Mr J. H. Howman, who looks after foreign affairs as well as security and the secret service of the Rhodesian regime, were not unaware of the unwelcome operations of the Americans. They suffered them for the sake of avoiding an open clash with Washington. Their patience, however, became frayed when it was discovered that secret documents had disappeared from the headquarters of the ruling Rhodesian National Front Party. Subsequently,



STATINTL

continued

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LIBERTY LOWDOWN

A CONFIDENTIAL WASHINGTON REPORT SUPPLIED ONLY TO LIBERTY LOBBY PUBLISHERS

April 1970
Number 86

STATINTL

THUNDER OVER THE POTOMAC

At Great Falls, a few miles above the Nation's capital, the Potomac is a narrow shining ribbon of water twisting and winding between its palisades as seen from 20,000 feet. It is here that the great procession of mighty thundering jetliners begin their descent as they head toward National Airport. It is challenging to a pilot to keep in the narrow twisting corridor above the river, where he is required to remain because the thundering roar of his aircraft is unwelcome to the residents of the District of Columbia and Virginia on the land below. Apparently the residents of Georgetown in the District of Columbia have more political influence, for as a result of their complaints pilots make sure that when they stray from over the river, it is on the Virginia side. As the planes thunder over Langley, Va., passengers look out upon the roof of a tremendous office complex, a massive white building with two gigantic bean-shaped parking lots--the imposing headquarters of the Central Intelligence Agency (C.I.A.).

STATINTL ✓

MYSTERY FOR A SHROUD

Intelligence is generally thought of as a cloak and dagger hush-hush business, shrouded in mystery, and much is made of how secret the C.I.A. operation is. But the iceberg has a big tip--the building in Langley, the recruiters on college campuses, and operations such as the U-2 overflights of Russia, and the Bay of Pigs invasion of Cuba. ✓

Most people recognize the need of governments for accurate intelligence, necessary for the protection of their nationals. Things that are really subject to question by the layman are the concept of this operation being a world wide network, computerized, and mass-produced with a massive bureaucracy, and the quality and orientation of the personnel involved. Of course, the size of the budget to sustain all this should be a justifiable question for taxpayers. This is particularly important as the budget of the C.I.A. is secret--even the Congressmen who vote the funds are not supposed to know the amount of the agency's budget. The allotments are concealed in appropriations for other agencies of government. If, however, the C.I.A. gets the reputed amount of \$4 BILLION a year, and this amount can be hidden in the budget, it would certainly cause taxpayers to wonder if the federal budget is not leakier than the New York City water system.

One thing is certain--anybody who recruits on college campuses should know what he is hiring--for the students who get honors these days are those who please their

E - 109,682

MAR 23 1970

Surprise! We Spy, Too

By George Weller

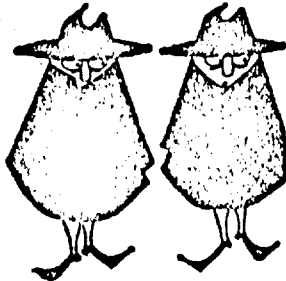
SPYING is a dirty trick done only by enemy countries. Nations that feel neutral, or friendly toward each other, never sneak looks into each other's cellars.

This gentlemanly but never very real code of international conduct has suffered three more breaches so far in March, making it look more than ever like a has-been. They piled up as follows:

—Tito's Yugoslavia, an "unaligned country" and a heavy recipient of American aid, was caught spying on American missile bases in northern Italy.

—THE UNITED Arab Republic, another of the publicly "non-aligned" nations, was caught for the second time spying into NATO secrets of the building of warships in Italy.

—The United States having closed its consulate in Rhodesia in the name of racial freedom, was revealed by the breakway



regime to have been snooping into its economic secrets, trying to find out how Rhodesia survives the U.N. embargoes.

In the Yugoslav and Egyptian cases the spies were nailed in Italy by Italian counterintelligence.

Guido Giol, a 37-year-old antiquarian of northern Italy, was caught by Swiss police smuggling a Tintoretto painting across the line at Lugano. When the Italian police took up his case, they found that he had been spying as a sideline, selling information about the American missile detachments in Vicenza to Tito's secret police.

The arrest had its irony because the Americans

are in northern Italy to help slow down any Russian strike from Hungary through the mountainous "Ljubjana Gap" — the very type of invasion the Yugoslav army arrayed itself to resist after the fall of Czechoslovakia.

EGYPT'S spy is an Italian officer, 50-year-old Carlo Biasci, a long trusted research executive in the planning office of the naval shipyards at Monfalcone, near Trieste.

The Egyptian who hired Biasci was Col. Hamil Mohammed Hamy, an air and naval attache at the Egyptian embassy since 1967.

The U.S. role in the Rhodesian spy case is still not altogether clear, because of what London's Daily Telegraph terms a "secret deal" between Washington and the Ian Smith government, to protect the CIA.

The deal was blacked out by Rhodesian censorship until Secretary of State William P. Rogers, who entirely omitted Southern Africa on his African tour, closed the American consulate. To the Rhodesians this move was a broken promise.

ROGER NICHOLSON and Trevor Gallaher, whose nationality has not been revealed, were convicted behind closed doors in Salisbury a few weeks ago of having sold Rhodesia's embargo-breaking economic secrets to an "unknown power." The power was identified unofficially as the United States.

The alleged spies, having named their CIA go-between, were released after a few weeks in jail. The Rhodesian claim is that the state department, in return for the hush-up, agreed not to break off with

Rhodesia, despite pressure from black Africa.

E - 80,569

MAR 25 1970

International Spying: Dirty Game

But It Is Practiced Even by "Friendly" Nations

By GEORGE WELLER
Chicago Daily News

SPYING is a dirty trick done only by enemy countries. Nations that feel neutral, or friendly toward each other, never sneak looks into each other's cellars.

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The United States, having closed its consulate in Rhodesia in the name of racial freedom, was revealed by the break-way regime to have been snooping into its economic secrets, trying to find out how Rhodesia survives the U.N. embargoes.

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The Egyptian who hired Biasci was Col. Hamil Mohammed Hamy, an air and naval attache at the Egyptian embassy since 1967. He used an Italian courier for the embassy to smuggle plans purloined by Biasci from Trieste to Rome.

The spy's apartment in Trieste yielded a fascinating price list of what the Egyptians would pay for specific documents, presumably based on what Soviet intelligence would pay Egypt for secondary use. Biasci requested a Minox camera, which operates by ordinary daylight, to be able to photograph documents without taking them home.

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Like Rhodesia, Yugoslavia is seeking what looks like revenge. They immediately sentenced to five years in jail, in an inaccessible court in Nish, Macedonia, 48-year-old Vzonko Ivanovic, who was accused of espionage work, from Trieste, for "a foreign intelligence service."

15 MAR 1970

RHODESIA

'Our Man in Salisbury' Exits

As Washington's Man in Salisbury, W. Paul O'Neill Jr. led a hermitic existence after Rhodesia broke away from the British Crown in November, 1965.

His rank was eventually reduced from consular general to consul and his staff shrank from 27 people to six.

But black Africans—as well as the British—pressed for a complete break from the white minority regime of Ian Smith. Last week, they got their wish. Secretary of State William P. Rogers, fresh from a tour of Africa, announced that the United States was closing down its consulate in Rhodesia, effective Tuesday.

Until recently, Washington had contended that the Salisbury mission was justified on the ground that

it was accredited to Britain. But when Rhodesia unveiled its own constitution and declared itself a republic, it severed all remaining ties with Britain. Maintenance of the U.S. consulate would have constituted a degree of recognition.

"At last we have a decision," O'Neill said. "It's been a long wait."

The Rhodesians, of course, accepted the decision with less equanimity. Smith's government was said to have been surprised.

Some observers believed that Washington had agreed to retain its mission in Rhodesia in exchange for the release earlier this year of two alleged CIA agents, convicted of passing economic secrets. However, the deal reportedly fell through when the arrest of the Americans was made public.

Rhodesia's ultra-right wing party, the Republic Alliance, commented that the only positive aspect of the United States' withdrawal was the removal of "what is widely believed to be a spying agency."

As Salisbury feared, Washington's move was followed by similar decisions on the part of France, West Germany, Italy, Norway, Denmark and the Netherlands. Nevertheless, Rhodesia is growing accustomed to isolation.

Under the United Nations-imposed embargo, U.S. trade with Rhodesia plummeted from \$33 million in 1965 to \$1 million in 1969.

The sanctions have hurt. Unemployment (especially among the 5 million blacks) is high in the former British colony. But the economy is reasonably stable. Trade has been rechanneled through middlemen in friendly South Africa and the Portuguese territory of Mozambique.

The consul departs

Somewhat unexpectedly the Secretary of State, Mr Rogers, announced on Monday that the United States will close its consulate in Rhodesia. Officials in the State Department had long advocated this move and Mr Rogers came to share their view after his recent tour of ten African countries. During the tour he was particularly impressed by President Kaunda of Zambia who urged the closure of the consulate, as did the consul himself, Mr Paul O'Neill, who saw Mr Rogers in Kinshasa. But President Nixon was under counter-pressure to keep his consulate open, both from southern Senators and from business interests which have investments in the Rhodesian chrome mining industry. Mr Kissinger, the President's chief adviser on foreign affairs also favoured staying on, according to reports. But when Mr Ian Smith declared his republic, the final break came as a matter of principle and as a gesture of sympathy to black Africans—and to Negroes and liberals at home.

America's withdrawal is a slap in the face for Mr Ian Smith's government because so much had been made of the consulate's continued presence. Though it did not represent American approval of the regime—just as Britain's mission in Hanoi does not imply support for North Vietnam—it was interpreted as a measure of recognition. The closure was announced the day before an emergency meeting of the United Nations Security

Council on Rhodesia. This was then postponed but it might have passed a motion asking all countries to withdraw their missions; this would have caused the Americans some embarrassment.

The saga of the consulate in Salisbury has not been without elements of melodrama; it was widely believed that an American promise to keep it open had been extracted in exchange for Rhodesia's release of two journalists, convicted of spying, supposedly for the Central Intelligence Agency. Whatever the deal, the closure of the consulate is a psychological defeat for Mr Smith. But trade with the United States has been practically non-existent since sanctions were imposed. And of the 1,200 Americans in Rhodesia, 900 are missionaries and well able to look after themselves. ✓

3
 MANCHESTER AND
 GUARDIAN

Mar 14, 1970

Smith loses consulates—and prestige

by Peter Nieswand in Salisbury

From an representation in Mr Smith's new Rhodesian Republic is quickly being whittled down. In just over a week five missions have been ordered to withdraw, including that of the United States.

Of the two remaining, two—the South Africans and the Portuguese—will almost certainly continue operating normally, thus keeping open the established channels which break the sanctions.

But as the Republic moves into greater isolation, Rhodesian Europeans—including official sources—are surprised and disappointed at the turn of events. It had been taken for granted that the United States Consulate General would continue operating normally, and this was considered an important feather in Rhodesia's cap.

New informed sources here believe that under strong British pressure America reneged on a deal made last year with Mr Smith's Administration. According to the sources, the two sanctions spies, Roger Nicholson and Trevor Gallaher—who were Central Intelligence Agency agents—were freed from Salisbury prison in exchange for an undertaking that the United States mission would remain open.

Rhodesia's ultra Right-wing party, the Republican Alliance, put the thoughts of many people into words. In a statement this week, the party's vice-president, Mr Robin James, said that the only redeeming feature of the American withdrawal was the removal of "what is widely believed to be a spy-in-a-gown."

Mr James went on: "It is questionable whether the release of Nicholson and Gallaher, in what the Prime Minister described as a 'deal' has not resulted in a double cross."

In an obvious attempt to allay fears, Mr Smith's Ministry of External Affairs issued a statement

declaring: "Rhodesians may rest assured that the closure of the consulate general will make no difference at all to Rhodesia or to themselves."

There is little doubt that, in spite of the bland public exterior, Mr Smith's Government is concerned about Rhodesia's increasing isolation. The presence of foreign missions in the new republic does help create the impression of normality, and brings Rhodesia one small step nearer official recognition.

However, from an economic point of view, even if most of the remaining Western Governments represented in Salisbury decide to withdraw, Rhodesia will not be faced with a particularly serious situation.

The bulk of the trade which breaks the sanctions is conducted through middlemen in friendly South Africa and the Portuguese territory of Mozambique. As Mr

Smith said recently: "Official recognition is of little or no consequence under these circumstances."

On Tuesday, a coded message from The Hague informed the Dutch consul-general, Mr Tadema Wielandt, that the Netherlands had decided to withdraw from Rhodesia. The Italian consulate-general in Salisbury is also under orders to withdraw. This was announced by a Foreign Ministry spokesman in Rome, although in the Rhodesian capital, the Italian mission first learned the news from agency reports.

Patrick Keatley writes: The US decision appears to be a major policy victory by the State Department over Mr Nixon's White House advisers.

It had become an open secret by last autumn that America's Secretary of State, Mr Rogers, had become convinced of the wisdom of shutting the US consulate, and that the man who was resisting

this course was President Nixon's chief political advisor, Dr Henry Kissinger. When Mr Wilson visited Washington he and Mr Stewart took up the issue, but found the White House unyielding.

There appeared to be leeway in the timetable for the Americans, since Mr Smith had said that the republic would not come until October.

Mr Smith's gamble nearly paid off. On his side in the Washington power game was the considerable "white lobby" of Southern senators, the John Birch Society, Friends of Rhodesia, and other groups.

Faced with the fact that the British UN delegation was going to take a hammering, the US Secretary of State was at last able to argue with Mr Nixon that the time had come for the only decision that could take the heat off the British Government—and the US delegate.

3

THE GUARDIAN
10 Mar 1970

STATINTL

Nixon breaks 'deal' on freed spies

From our Correspondent, Salisbury, March 9

The American decision to withdraw from Rhodesia has surprised—and in some cases shocked—observers here. It had been widely felt that the United States would remain represented in the country, regardless of the declaration of a republic by Mr Smith's Administration.

Indeed, it was understood that the Americans and Rhodesians had agreed to a deal, in which the two sanctions spies, Trevor Gallaher and Roger Nicholson—believed to have been CIA agents—were released from Salisbury gaol on condition that President Nixon maintained the Salisbury mission.

alleged deal depended on America being shielded from publicity—which in the event, was not the case.

The American consul-general, Mr Paul O'Neil, has telephoned the other nine foreign missions in Salisbury to tell them officially of his impending withdrawal but it is not expected that other governments will automatically follow the American lead.

The West Germans have been in consultation with Bonn, and word on their future is expected soon. The French acting consul-general, M. Michel Galas—who arrived in Rhodesia at the beginning of the year, commented: "As long as as I have not received word from Paris, I will keep my consulate open."

Observers point out that this

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MAR 10 1970

H - 70,135

U.S. departure stuns Rhodesia government

The Manchester Guardian

SALISBURY — The United States' decision to withdraw its consulate general from Rhodesia has surprised — and in some cases shocked — observers here.

It had been widely felt that America would remain represented in the country despite the government's declaration of a republic last week. It was believed that Washington had agreed to retain its mission here in exchange for the release of two alleged CIA agents convicted of passing economic secrets.

INFORMED sources claim, however, that this deal was contingent on America's being shielded from publicity, which it was not.

The opposition Center Party said last night that the closing of the consulate-general here "confirms that the outside world still takes a serious view" of Rhodesia's status. The statement

WASHINGTON (UPI)—Secretary of State William P. Rogers said yesterday the United States, supporting its belief that Africa should be governed by Africans, would close its consulate in white-ruled Rhodesia March 17.

He said the decision is the result of the Rhodesian government's severance of its last ties with the British crown. Black African nations strongly urged the U.S. move during Rogers' recent African tour.

Rogers, during his two-week African trip, found the six black African nations he visited unhappy over the continued presence of the U.S. consulate in Salisbury. They felt this implied U.S. approval of the white Rhodesian government.

called for Rhodesians to "reinstate ourselves in the eyes of the world . . . this can only be done by demonstrating that there remains in Rhodesia a spirit of racial cooperation."

THE GOVERNMENT has refused to comment on the U.S. announcement.

The American decision is not expected to lead automatically to other withdrawals, although some countries are reconsidering their policy toward Salisbury. The West German embassy here has been consulting with its government and word on its future is expected shortly.

American consul Paul O'Neill has already telephoned the other nine foreign missions in Salisbury to inform them officially of his impending departure.

"AT LAST we have a decision," O'Neill said last night. "It's been a long wait."

MORNING - 306,586
WEEKEND - 342,001
FEB 27 1970

CIA Suspected In Trade Spying On Rhodesia

By EARL W. FOELL

Globe-Democrat-Los Angeles Times News Service

UNITED NATIONS — Two spies who came in from the heat have aroused interest among African specialists here.

The spies are John Roger Nicholson and Trevor Galaher — convicted by the Rhodesian government in late December for "economic spying," then released on Jan. 15.

Among knowledgeable African analysts the belief has grown that the two men performed espionage on behalf of the State Department and perhaps the Central Intelligence Agency. Earlier South African and British news stories to that effect were denied by the U.S. consulate in Salisbury, Rhodesia, and by the Rhodesian regime early in January.

But the hasty release of the two men, without explanation, and their quick departure from the Salisbury heat to cool freedom in London only confirmed the analysts in their view that the men were involved in passing trade secrets to American officials.

GALLAHER, a noted Rhodesian lawyer who had acted as an adviser to Smith's Rhodesia front (and, like Smith, served as an Air Force man during World War II), was sentenced to four years at hard labor. Nicholson, financial editor of the Rhodesia Herald at the time of his arrest and previously an opposition member of Parliament, was sentenced to 18 months at hard labor. Their current whereabouts are not known.

An account from a Salisbury journalist in the February issue of the magazine Africa report gives a circumstantially detailed story said to be "known to a handful of local senior journalists" in the Rhodesian capital.

According to this account, backed by several American and western European African experts here but still denied by State Department officials, the following sequence occurred:

The white-supremacist Rhodesian regime discovered that the two well-placed men were providing detailed information to the U.S. consulate in Salisbury. That information told what foreign firms were circumventing U.N. trade sanctions against the Rhodesian government — and how they did it.

THE INFORMERS provided photostats of bills of lading and other documentary evidence of illegal shippings.

As a result of part of this information — purportedly passed along from Washington to Britain and the United Nations — the British metal manufacturing firm of Platt Bros. was brought to trial last year for illegally trading with Rhodesia. Platt Bros. was convicted and heavily fined. This was widely construed as a kind of warning to other British firms tempted to circumvent the London trade boycott.

If other erstwhile traders became worried that their maneuvers to avoid the boycott would be exposed through clandestine reports from Salisbury, the Ian Smith government of Rhodesia would obviously suffer new trade complications at a time when it had successfully learned to circumvent the U.N.-imposed boycott.

So the two men were brought to trial, separately, with considerable local fanfare. But there was a strange lack of detail as to just what nation had received the results of their spying. All emphasis was placed on "the treachery of economics by passing on sanctions-busting information to our enemies in the west." The enemies were not

THE REASON for this, according to the magazine account, was to give the Rhodesian white public a dramatic case history explaining why emergency police state powers were needed by the Smith regime — while at the same time not affronting the American consulate, which Smith urgently wants to keep Washington from closing.

Continuance of the U.S. consulate in Salisbury has taken on considerable symbolic importance in Africa. Black African nations — and the British government — consider it an affront to their effort to topple the Smith regime. Backers of Smith — including British and American businessmen who want free trade, particularly in chrome ore — argue for keeping the consulate open and abandoning sanctions.



AFRICA

CIA working in Rhodesia

In December, the Rhodesian government of Ian Smith arrested and convicted two men for violations of the Official Secrets Act. John Nicholson and Alfred Gallaher, an attorney, were convicted of passing on or making available economic information to the "enemies" of the Rhodesian state. It has been recently disclosed by the Johannesburg Sunday Times that both men were employed by the U.S.: Nicholson by the CIA, Gallaher by the State Dept. This information gives indications of the sophistication with which corporate-governmental imperialism operates in Southern Africa.

After the disclosures that the two men had been working for the U.S., the Smith regime announced that the men had been released and flown immediately to London. At the same time, the Smith government announced that an "agreement" had been reached with the Nixon administration in exchange for the release of Nicholson and Gallaher. The terms of the agreement have not been made public but one of the following is suspected: that the Nixon administration agreed either to maintain the U.S. consular office in Salisbury (there have been several recent attempts to get the administration to close the consulate since the U.S. does not recognize the Smith regime) or to renew the purchase of chrome from Rhodesia. Buying Rhodesian chrome is forbidden by the UN sanctions against Rhodesia.

Friendship with racism

Rhodesia [Zimbabwe] where Smith's racist government representing the white population of 241,000 exploits and represses the African population of 4.5 million, is viewed with anger and hostility by progressive peoples throughout the world.

But how can the U.S. State Department and the CIA be considered "enemies" of Rhodesia? Obviously, they and the corporate ruling class in America, whom they serve, are friends of Rhodesia, not the reverse. Then why are CIA elements digging into the country's economy?

Rhodesia has the largest chrome ore reserves in the capitalist world. Union Carbide Corp. and Foote Mineral Co. (Extron, Pa.) control most of the chrome ore production in Rhodesia. As U.S. chrome ore reserves continue to dwindle, it becomes increasingly clear that America's industrial giants are dependent upon Rhodesian and Soviet ore supplies. However, despite the attractions which Salisbury holds for the Nixon administration (racism, anti-communism and raw materials), the U.S. has been unwilling to offer Rhodesia unqualified support. The managerial elites and policy makers would have preferred an "independent" black Rhodesia to the present system of minority rule. U.S. strategists are well aware that the prospects for future stability and neo-colonial exploitation of the subcontinent are endangered by the irreconcilable contradictions of racist domination. U.S. policy makers are therefore operating on a multi-faceted strategy designed to consolidate and expand U.S. influence and penetration without requiring direct support for minority rule. This opportunistic policy requires that the U.S. offer symbolic support for the Smith regime (by maintaining the U.S. consulate in Salisbury), while also using this facility as an independent information gathering agency of the CIA to provide critical economic and political briefs on the situation in Rhodesia.

On Jan. 16, 1970, guerrilla units of the African National Congress (the major liberation movement of South Africa) attacked the air installations at Victoria Falls in western Rhodesia. Other guerrilla actions were directed against South African "police" units. South African Army and Air Force units have been operating in Rhodesia for over two years under the "police" cover, and form the nucleus of Rhodesia's military forces.

30 JAN 1979

U.S. Link to Rhodesia Trade Spy Case Hinted

2 Men Freed Jan. 15 Performed Economic Espionage for State Dept., Analysts Think

BY EARL W. FOELL

Times Staff Writer

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According to this account, backed by several American and Western European African experts here but still denied by State Department officials, the following sequence occurred:

The white-supremacist Rhodesian regime discovered that the two well-placed men were providing detailed information to the U.S. consulate in Salisbury. That information told what foreign firms were circumventing U.N. trade sanctions against the Rhodesian government—and how they did it.

The informers provided photostats of bills of lading and other documentary evidence of illegal shippings.

As a result of part of this information—purportedly passed along from Washington to Britain and the United Nations—the British metal manufacturing firm of Platt Bros. was brought to trial last year for illegally trading with Rhodesia. Platt Bros. was convicted and heavily fined. This was widely construed as a kind of warning to other British firms tempted to circumvent the London trade boycott.

If other erstwhile traders became worried that their maneuvers to avoid the boycott would be exposed through clandestine reports from Salisbury, the Ian Smith government of Rhodesia would obviously suffer new trade complications at a time

when it had successfully learned to circumvent the U.N.-imposed boycott.

So the two men were brought to trial, separately, with considerable local fanfare. But there was a strange lack of detail as to just what nation had received the results of their spying. All emphasis was placed on "the treachery of economics by passing on sanctions-busting information to our enemies in the West." The enemies were not named.

The reason for this, according to the forthcoming magazine account, was to give the Rhodesian white public a dramatic case history explaining why emergency police state powers were needed by the Smith regime—while at the same time not affronting the American consulate, which Smith urgently wants to keep Washington from closing.

Continuance of the U.S. consulate in Salisbury has taken on considerable symbolic importance in Africa. Black African nations—and the British government—consider it an affront to their effort to topple the Smith regime. Backers of Smith—including British and American businessmen who want free trade, particularly in chrome ore—argue for

keeping the consulate open and abandoning sanctions.

Most analysts dealing with Rhodesia and the sanctions questioned here are inclined to believe that the White House will probably leave the consulate open, despite London's longtime displeasure. And this probably will mean that all other countries that maintain consulates there also will keep them open. Since no country in the world formally recognizes the Smith regime, the consulates give it a kind of semi-legitimacy.

U.S. ENVOYS IN RHODESIA SPYING ROW

CIA role denied in sanctions trial

By CHRISTOPHER MUNNION in Salisbury, Rhodesia

A AMERICAN diplomats in Salisbury last night denied knowledge of Central Intelligence Agency involvement in Rhodesia's two recent sanctions spy cases.

They also denied that the Rhodesian and American Governments had made a deal to keep the United States out of the sanctions spy trials. The trials, which led to the jailing of two men on secrets charges contained evidence about agents of a Western Power.

My own information is that the Central Intelligence Agency, through an agent working from the consulate in Salisbury, recruited the accused men to provide details of Rhodesia's economic secrets.

There are also reports which suggest that the State Department and the Rhodesian Government agreed to withhold any reference to America to avoid embarrassment to both sides.

A Johannesburg newspaper yesterday named Mr Irl Smith, 52, Political Counselor at the American Consulate in Salisbury, as the "foreign agent" referred to in the trial of Roger Nicholson, 38, the financial journalist.

Nicholson was jailed for 18 months under the Official Secrets Act and counter-sanctions espionage regulations.

"Fishing" in dark

Mr Smith, former American Army major who has been at the consulate for 18 months, said in Salisbury last night: "Somebody is certainly fishing in the dark."

"This is absolutely untrue. We make no deal with any Government. We have a small mission here. We do not engage in that kind of activity."

The newspaper also claimed that the second convicted sanctions spy, Alfred Trevor Gallaher, 53, a lawyer, was passing information to Mr Paul O'Neill, the American Consul-General.

Mr Smith, who was on "extended home leave" during the trials, returned to Salisbury on Dec. 20, a few days after Gallaher had been sentenced to four years imprisonment.

During the trials of Nicholson and Gallaher, much of which were held in secret, the court was told that the information passed by the two men had been made available to the United Nations special committee responsible for enforcing sanctions.

Foreign accounts

Nicholson was said in court to have the equivalent of £9,000 in a bank in the foreign country concerned. I understand that this account was with the Chase Manhattan Bank, New York.

Gallaher, too, was said to have a foreign bank account. This, also, was in New York.

Yesterday's disclosures are certain to embarrass both the American and Rhodesian Governments. Observers believe President Nixon will be forced to withdraw the mission immediately.

Reports in Salisbury suggest that the State Department knew nothing of the Central Intelligence Agency involvement in sanctions-spying. It is clear that the Agency's agent in Salisbury recruited many prominent Rhodesians in possession of sanctions-busting secrets.

It is also considered likely that this was done without reference to senior diplomats or the State Department.

"20 more involved"

Apart from Nicholson and Gallaher, Special Branch officers believe there have been 20 other people in the pay of the Central Intelligence Agency but they have insufficient evidence to make further arrests.

Rhodesian security officials know that the information passed was coded and sent to Washington. They believe it was then handed on to the United Nations and to the British Government.

ployed, such as private post boxes and Bond-like trappings like the apparatus for "invisible writing" found in Gallaher's home.

A Rhodesian Government spokesman last night refused to comment on the reports. "I know nothing about this," he said.

Unofficial American sources were blaming the British Government for "leaking" the reports of American involvement to force the withdrawal of the American mission.

After the withdrawal of the British residual mission from Salisbury last July, the Americans were expected to follow, but their consulate has been maintained at post UDI strength, which was regarded by the Rhodesians as tacit recognition by the Nixon administration.

CIA SILENCE

Invariable rule

OUR WASHINGTON STAFF cabled: The Central Intelligence Agency, following its invariable rule, neither confirms nor denies the allegation of involvement in sanctions spying.

Officials argued that the closure of the American consulate in Salisbury was unlikely at this time as it would seem to amount to a confession of complicity in a spy plot.

Since the departure of Sir Humphrey Gibbs, the Governor, from Rhodesia last June, the State Department has been reviewing the status of its consulate-general in Salisbury. The process has been more dilatory than Whitehall seems to have liked.