

THE OFFICIAL HISTORY OF ASIO

General editor: David Horner

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The
PROTEST YEARS

— *The* —

**OFFICIAL
HISTORY**

— *of* —

ASIO

— *1963–1975* —

Volume II

JOHN BLAXLAND



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I knocked on the door, flashed my ASIO ID card to him, shook his hand and I could see he wanted to hug me. We went into their lounge room and Mum's got morning tea, scones, jam and cream: a big deal and the two adult children there. When I produced my ID I think the kids thought I had come to arrest their father because they knew him to be a Communist. You could see how shocked they were. Then I went on to explain what he and his wife did for us for about ten to twelve years, how appreciative we were of the difficult task . . . and they all started to cry. The mum's crying, the kids are crying, hugging their dad—a very emotional scene. 'You should have told us,' they said. 'I couldn't,' he replied. 'I took an oath . . . I couldn't tell you.' That was the sort of person that sparrows were.²²

Sparrows, in the end, were in place throughout the CPA.

While some agents proved reliable, others were withdrawn because of unsatisfactory service, such as making false reports to ASIO and accepting specific expenses under false pretences.²³ At times agents were withdrawn because of party security, after being identified and 'isolated' as possible agents from the security service.²⁴

Some agents exposed themselves. One in particular was recruited in Victoria and subsequently transferred to New South Wales, where he became friendly with a prominent ASIO target, Christopher Aarons. The problem for ASIO was that this agent started operating outside its guidance. On one occasion he approached an ASIO officer at an anti-Vietnam War demonstration in March 1966 in front of Victoria Barracks in Paddington, Sydney, while accompanied by Aarons.²⁵ The agent later became disenchanted with ASIO and published a letter entitled 'Campus informant' in *Tharunka*, the newspaper of the University of New South Wales Students' Union, in March 1967 under a pseudonym, Roger Kramp. 'Kramp' provided details of monthly meetings with his handler, suggested there were other agents still out there on campus, and criticised ASIO's pursuit of harmless student radicalism as leading to ill-informed victimisation once students applied for jobs.²⁶ Seeking to contain the fallout from this publicity, Spry wrote to Sir John Bunting, Secretary of the Prime Minister's Department, suggesting that the Prime Minister might reply to questions in Parliament with the

ASIO.²⁷ Spry's approach lacked imagination and did little to deflect growing concerns.

In addition to its work with people who were university students, ASIO remained focused on three tasks, which the Regional Director, Victoria, Tom Cotton, described as follows. First was the mass penetration of CPA branches, drawing for instance on pensioners volunteering their services. Second was the perceived continuing necessity to keep abreast of CPA activity within trade unions, with a focus on recruiting twenty- to 25-year-olds who could double up by providing access to the CPA's youth arm, the Eureka Youth League. Third was the continued penetration of the front organisations, although ASIO recognised that more often than not this did not progress into greater access into the inner workings of the CPA.²⁸

The situation in Victoria reflected similar trends to that experienced in New South Wales. One source operated in rural Victoria for fifteen months and became a member of a district committee. He provided ASIO with its only coverage of the Victorian State Conference in 1963.²⁹ He also gave coverage of almost every activity and identified almost every member in the associated seven local CPA branches.³⁰

At the same time, two agents in the Builders Labourers 'fraction' of the CPA were poised to report on the emerging split in the CPA, linked with communist activist Ted Hill's 1963 visit to Peking (Beijing).³¹ By 1964, the split between the more hardline, pro-Peking elements led by Ted Hill and associated with the CPA (Marxist-Leninist) and the pro-Moscow elements who tended to remain with the CPA was becoming clearer, but the ramifications of this took time to permeate ASIO.³² Indeed, even as late as 1969, ASIO's concentration of effort would remain on increasing agent penetration of the CPA.³³ This would happen at the expense of establishing coverage of and influence in the more radical organisations that had emerged, notably the CPA (Marxist-Leninist).

By November 1964, ASIO's Victorian office had nearly 100 sources, with twenty CPA branches penetrated and several more reported to be on the cusp of penetration.³⁴ The number of sources rose further by early 1967.³⁵

In 1966, several dozen agents were 'withdrawn' in Victoria for various reasons, including the 'inability' of the agent to gain any useful information,

record, or because of an agent's family or other competing commitments. Of this number, several were withdrawn because they were 'nominated' by the CPA as 'Security Agents' and several others because they were under suspicion.³⁶ Such nominations and suspicions would be a routine feature of the cat-and-mouse game between ASIO and the CPA. Nonetheless, the overall coverage of the CPA remained relatively static, so there was a sense within ASIO that they were winning. ASIO's sources were producing so many reports that by November 1964 the Victorian office had a backlog of 1000 reports. In a period of ten months that year, ASIO collected 4000 photographs of target personalities and 3250 prints of documents and other material.³⁷

With so many strong emotions evident in many of the targeted groups, and with the constant risk of being exposed and possibly subjected to violence, working as an agent for ASIO could be stressful. One agent, tasked with penetrating a local CPA branch, provides an interesting example. He was paid gratuities covering his expenses, but was not paid a wage. After ten years of always having to be mindful of what he said and to whom, and with the onset of medical conditions attributed to his role as an agent and his wartime service, he asked to be relieved of his ASIO responsibilities. ASIO provided a gratuity of \$500, which was well received. But, as was not unusual at the time, the agent initially received no further compensation or psychological counselling. In the meantime, he was still expected to keep up his story of being a member of the CPA. This came to haunt him, as people were wary of his Communist Party links. Eventually ASIO provided the former agent with a letter he could show his son that acknowledged his service to ASIO. He had originally been shown the letter but had not been allowed to keep it when his services to the Organisation were terminated. Recognising the gravity of the situation, ASIO also arranged and paid for psychological counselling, which resulted in a 'vast improvement'.³⁸ The episode illustrated both the problems inherent in running agents and how the Organisation sought to care for those it identified as needing ongoing support. They were not formally ASIO employees and they worked on a voluntary (albeit often paid) basis.

Gerard Walsh commenced work on the CPA desk in B1 Branch in the

with a bigger step. They were the sharp end. To be out there agent running, to be recruiting, to be successfully managing the work, to achieve recruitment at State Committee and Central Committee level was great stuff.³⁹ Ironically, Walsh admitted, ASIO played such a prominent role that it assisted in perpetuating the very institution it worried about, saying: 'we held the Communist Party together for a long time—between Moscow [financial support] and us [ASIO purchasing copies] we kept the *Tribune* going'.⁴⁰

In contrast to its infiltration of the CPA, ASIO's penetration of the CPA (Marxist-Leninist) showed 'a great weakness' in the Organisation's coverage. This reflected the fact that it was a lot more difficult for ASIO to penetrate, partly because of the security consciousness of the party's founder, Ted Hill, whose CPA office had been bugged by ASIO on multiple occasions (as described in Volume I).⁴¹

It was hoped that higher level penetration could be achieved through what was called a Cherry Brandy operation: that is, recruiting an existing member of the party, preferably someone on the committee, who was contemplating defection but had not yet made any overt declaration.⁴² Operation Cherry Brandy was launched in 1956, at a time when the numbers of lapsed CPA members swelled markedly following the Soviet intervention in Hungary (see Volume I). But efforts through the mid-1960s bore little fruit,⁴³ although there was some success in penetrating the South Australian branch of the CPA (Marxist-Leninist) in 1969. The Organisation had only one agent in that branch, so its coverage of the CPA (Marxist-Leninist) there was considered insufficient.⁴⁴

On 5 February 1971, ASIO's South Australian office advised headquarters that the CPA (Marxist-Leninist) would be holding a congress in Melbourne on 13–14 February.⁴⁵ With little time to prepare, the Victorian office mounted a major surveillance operation, involving a large number of staff from its own office supplemented by several officers from headquarters and necessitating telephone interception, surveillance and photography. But the party met one day before the planned date, catching ASIO off guard. Nonetheless, surveillance officers followed their targets to a farm at Christmas Hills owned by the CPA (Marxist-Leninist) vice-chairman, Clarence O'Shea, where they positively identified six attendees.⁴⁶ One of those present was

in 1954–55. ASIO mounted a surveillance operation against him, but gained little of value.⁴⁷ Once again, it was not clear whether this was because of poor tradecraft by ASIO, heightened security awareness by Oke, a decline in Oke's involvement in matters of interest to ASIO, or a combination of reasons.

Surveillance

One of ASIO's most basic means of gathering information was through ordinary surveillance. Static sites, that is set locations for surveillance, were frequently used by ASIO. In Victoria in the mid-1960s, for instance, ASIO maintained static sites covering almost every venue where CPA-related meetings were held.⁴⁸ Victoria's CPA state headquarters at 197 Lonsdale Street in Melbourne was a particularly frequent target. Adjacent offices were used as part of the static surveillance of CPA headquarters. Meanwhile, attendees were photographed from nearby vantage points.⁴⁹

The CPA's Sydney premises were similarly targeted by ASIO. Worried about ASIO's ability to pry, party officials at CPA headquarters at 168 Day Street decided to tighten up security arrangements. CPA officials announced that all sensitive waste, including carbons, papers and stencils, would be burnt in the building's incinerator,⁵⁰ but such measures left ASIO's listening devices unaffected, and agents were still well placed to pass on verbal reports on the party.⁵¹ Staff appointment and responsibility changes as well as the state of their health were closely monitored and reported to Headquarters ASIO.⁵²

Telephone interception

Telephone intercepts were covered by the *Telephonic Communications (Interception) Act 1960*, which specified the requirement for a formal warrant signed by both the Director-General and the Attorney-General.⁵³ The number of warrants nearly doubled from a couple of dozen over the decade from 1960, when the act took effect, to 1970. Given the number of ASIO targets across Australia at the time, this is a remarkably small number. But with the split in the CPA producing new targets and with increased concern over Yugoslav and Trotskyist activities as well as new counterespionage targets emerging in the early 1970s, ASIO anticipated a further increase in

Telephone intercept operations were covered by the code word Hawke to hide their true nature from those inside ASIO without the 'need to know'. But this code word, originally intended to be used on a very restricted basis, had become commonplace within ASIO by 1970 and, with the emergence of Bob Hawke as a prominent figure in the trade union movement, a new code word, Bugle, was introduced to replace it.⁵⁵ ASIO was concerned with ensuring that non-ASIO recipients of Bugle-derived reports not be passed information that would give away knowledge of the source being an intercept. For such recipients, both in Australian Government agencies as well as state and Commonwealth police forces, information had to be 'paraphrased and so worded as to protect knowledge of the source from the recipient'. This could be transmitted orally, although a formal record was maintained of information passed.⁵⁶

Photography

Photographic operations covered CPA conferences and meetings, May Day marches, Hiroshima Day parades, anti-Vietnam War protest meetings and sweep operations. Reconnaissance photographs were taken by ASIO of the exteriors of target houses or offices, and internal photographs were taken as well if ASIO gained entry. These were usually taken in anticipation of a potential technical operation. In 1966 alone, ASIO's Victorian office undertook 36 sweep operations, rising to 76 in 1968.⁵⁷ ASIO photographic staff were routinely tasked to provide photographic coverage of CPA candidates for political office at the Federal elections during the 1960s through to 1972.

Operation Cockatoo

Operation Cockatoo was the cover name given to the capability of installing listening devices.⁵⁸ Each operation was then allotted its own operational name, such as Bossanova, described below. Cockatoo operations would be authorised for up to fourteen days, but this could be extended to six months once warrants were introduced.⁵⁹ Operations were initiated through a regional director or his staff and approved by the Director-General.⁶⁰ In the counter-subversion field, a technical operation would be restricted to a target at a level not below a state committee of the CPA or a similar level in other