



# MI6 chiefs used secret slush fund to finance operations, document shows

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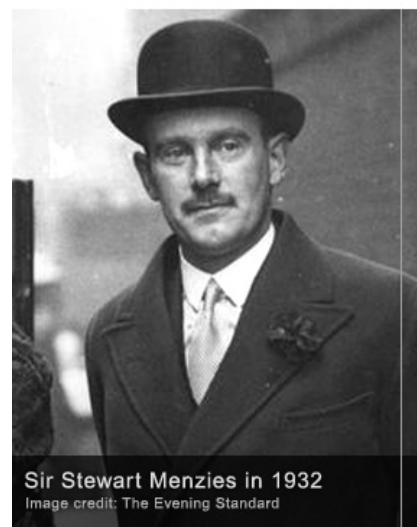
Successive directors of the Secret Intelligence Service used a secret slush fund to finance spy operations without British government oversight after World War II, according to a top-secret document unearthed in London. The document was found in a collection belonging to the personal archive of the secretary of the British cabinet, which was released by the United Kingdom's National Archives. It was discovered earlier this year by Dr Rory Cormac, Associate Professor of International Relations in the Faculty of Social Sciences of the University of Nottingham in England. It forms the basis of an episode of BBC Radio 4's investigative history program, *Document*, which was aired (<http://www.bbc.co.uk/programmes/b09fy1qm>) last weekend. In the program, the BBC's security correspondent Gordon Corera explains that the discovery of the secret slush fund reveals new information about the activities of the Secret Intelligence Service. It also raises questions about the underground activities of British spies in the Middle East following the British Empire's postwar retreat.

Historically, the activities of the Secret Intelligence Service —known commonly as MI6— have been indirectly supervised by the British Parliament and its committees, which fund the agency through a secret vote. The use of the agency's funds to carry out operations is also monitored by the Secretary of State for Foreign Affairs, the head of the Foreign and Commonwealth Office, who exercises political control over MI6. However, the document uncovered by Dr Cormac shows that, for many years, successive directors of the secretive spy agency financed operations using a sizeable personal fund, the existence of which was not disclosed to the government. The document describes a meeting held in 1952 between Sir Stewart Menzies, who was then the outgoing director of MI, and the permanent secretaries —essentially the top-ranking civil servants— to the Foreign Office and the Treasury. The meeting was held to prepare the ground for Sir Stewart's retirement and to facilitate the smooth handover of power to his successor, Major-General Sir John Sinclair, who became director of MI6 in 1953.

During the meeting, Menzies took the opportunity to notify the two senior civil servants that he had access to a bank account he referred to as the "unofficial reserve", which served as his secret slush fund. The fund is thought to have contained the equivalent of £39 million —around \$50 million— in today's money. The document suggests that most of the funds were acquired at the conclusion of World War II, and included private donations, some of them from the United States. However, portions of the funds were probably deposited nearly half a century before Menzies' retirement, which means that the secret account was in place for decades before he revealed it during his meeting in 1952. According to Dr Cormac, the existence of the account was kept secret from civil servants and elected officials, as well as from financial comptrollers within MI6.

The recently unearthed document states that the two civil servants were taken aback by Menzies' confession and suggested that the existence of the secret fund could potentially raise concerns about transparency and accountability. But the outgoing spy director insisted that the fund was necessary to provide "inducements" (bribes) to high-placed potential sources abroad, and to sustain MI6 if the government was to decide to drastically slash its budget. But researchers believe that the secret fund's main usefulness was in enabling the spy agency's directors to finance intelligence operations without the knowledge or consent of Whitehall. The document names some of these operations, which bear codenames such as STRAGGLE, SCREAM, SCANT AND SAWDUST. The BBC's Gordon Corera states that most of these operations were focused on the Middle East and were directed against nationalist Arab leaders, notably Gamal Abdel Nasser, who in 1956 went against British interests by nationalizing the Suez Canal.

According to the BBC, most of the operations that were funded by the so-called "unofficial reserve" were psychological in nature, meaning that they aimed to spread specific propaganda favoring pro-British policies. Some, however, which did not proceed further than the design stage, included plans to assassinate senior officials in several Middle Eastern countries, including Egypt and Syria.



Sir Stewart Menzies in 1932  
Image credit: The Evening Standard

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Eventually, the secret MI6 slush fund was eliminated, and the money was absorbed into other, overt MI6 accounts. But this did not happen overnight, says Corera, which means that the “unofficial reserve” continued to be used to fund secret spy operations even after the Suez Crisis, when Menzies had been long retired.

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