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A Double Agent Down Under: Australian Security and the Infiltration of the Left

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A Double Agent Down Under: Australian Security and the Infiltration of the Left

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Because of its clandestine character, the world of the undercover agent has remained murky. This article attempts to illuminate this shadowy feature of intelligence operations. It examines the activities of one double agent, the Czech-born Maximilian Wechsler, who successfully infiltrated two socialist organizations, in the early 1970s. Wechsler was engaged by the Australian Security Intelligence Organisation. However, he was 'unreliable': he came in from the cold and went public. The article uses his exposés to recreate his undercover role. It seeks to throw some light on the recruitment methods of ASIO, on the techniques of infiltration, on the relationship between ASIO and the Liberal Party during a period of political volatility in Australia, and on the contradictory position of the Labor Government towards the security services.

In the post-Cold War period the role of the Australian Security Intelligence Organisation (ASIO) no longer arouses the visceral hostility it once did from the Left. The collapse of communism found ASIO in search of a new *raison d'être*. With the current 'war on terror', it found it. The subject of intelligence operations has shifted from the revolutionary Left to the religious Right: the vast security files once compiled on organisations connected to the labour movement are today growing thick on Islamic groups in Australia that support Jemaah Islamiyah.[i] In 2005, parliamentary legislation significantly enlarged ASIO's powers of surveillance, arrest and detention of suspects who may have information about terrorism. However, whilst the focus has shifted, the long-favoured methods of surveillance and infiltration remain unchanged.

It is salutary, therefore, to examine one aspect of ASIO's operations: the penetration of political organisations then deemed to constitute national security threats. This paper will investigate the activities of one ASIO under-cover informant in the early 1970s who, uncharacteristically, broke the customary code of silence when his work for ASIO stopped. That work focused on the Communist Party of Australia (CPA) and the Socialist Workers' League (SWL).

In contrast to the extensive literature on communists in the West working for the Soviet Union during the Cold War[ii], studies on or by undercover spies working for domestic intelligence agencies in both Great Britain and the United States are sparse and highly partisan.[iii] Indeed, the most illuminating study emanates from New Zealand where George Fraser was recruited by the Special Branch and worked undercover within the Communist Party of New Zealand for nine years.[iv] However, apart from McKnight and a brief reference by Cain,[v] the Australian literature on undercover operations by the security services within the labour movement is almost non-existent.[vi] This article represents an attempt to fill, partially, that historiographical gap.

The subject of this article, Maximilian Wechsler, worked for ASIO, Australia's domestic counterintelligence service established in 1949. It was responsible for gathering security intelligence, evaluating its significance and advising the Commonwealth government. It compiled dossiers on individuals and organisations deemed to endanger Australian national security. Although commonly assumed to be a domestic response to the growing post World War II influence of the CPA, the creation of ASIO was in fact a product of British and American

pressure. The Venona operation revealed in 1947 that the Soviet Union had obtained a copy of a top-secret British post-war defence document, 'Security in the Western Mediterranean and Eastern Atlantic', sent to Canberra. It exposed a serious security leak in Australia's Department of External Affairs. The United States imposed an embargo on the transmission of certain classified information to both Britain and Australia. In order to assuage American concerns about apparently lax Australian security the British government persuaded the sceptical Australian Prime Minister, J.B. Chifley, to permit a small team of MI5 officials to restructure the internal security system along MI5 lines. On 2 March 1949, Chifley announced the creation of ASIO. It supplanted the Commonwealth Investigation Bureau, considered incapable of uncovering domestic espionage.

In 1950 the newly elected conservative Prime Minister, R.G. Menzies, appointed the director of Military Intelligence, Brigadier Charles Spry, to head ASIO. He took over at one of the chilliest moments of the Cold War: the United States had just lost its atomic monopoly; North Korea had just invaded South Korea; the CPA, steadfastly loyal to the Soviet Union, controlled some powerful trade unions as well as the increasingly influential peace movement; and World War III seemed both imminent and inevitable. Spry's four-year secondment from the Army extended to nineteen years. Throughout this period, he remained convinced that communism posed a dangerous threat to national security and he moulded ASIO into a significant weapon in the domestic Cold War.

ASIO's greatest coup came in April 1954 when two KGB officials, Vladimir and Evdokia Petrov, defected from the Soviet Embassy in Canberra. They were among the most important defectors of the Cold War since their intelligence enabled security services around the world to gain deeper insight into Soviet espionage methods. Although the Petrov defection established ASIO's reputation, Left-wing critics constantly alleged links between ASIO and conservative politicians. Like other Western intelligence agencies throughout the 1960s and into the early 1970s, ASIO monitored the activities of organisations, such as the SWL, opposed to the Vietnam war. Communist domination of the 1950s peace movement fitted comfortably into ASIO's worldview, but it did not adjust well to the emergence of a different anti-war movement and it turned dissent into disloyalty. In December 1972 the Labor Party won office – the first Labor administration since ASIO's establishment. Many government ministers were themselves the subject of ASIO dossiers and believed that ASIO was obsessed with perceived threats from the Left instead of actual threats from the far Right. It was during this period of Labor in office that Wechsler worked for ASIO.

Maximilian Wechsler was born in Pilsen, Czechoslovakia, on 15 May 1950.[vii] He left school at the age of fifteen, when he became a fitter at the Skoda plant in Plzeň (Pilsen) until 1969. According to his own testimony in a subsequent interview, he participated in the Czech resistance to the Soviet invasion in 1968 and, in particular, to Soviet troops taking over the local radio station. He recalled the 'Prague Spring' in glowing terms:

There was a high level of political consciousness. There were political discussions in factories, at sports meetings, parks and in schools...On May Day [1968] in Prague hundreds of thousands of people marched, carrying banners and chanting slogans...The whole nation awoke after 20 years of fear created by the hard-core Stalinist leadership.[viii]

The following year, in May 1969, he applied through the Migration Office in the Australian embassy in Vienna to emigrate to Australia. It was then that Wechsler's first contact

with ASIO was made. In several Australian embassies in Western Europe, ASIO liaised closely with the Migration Office to screen applicants and it was, in fact, an ASIO officer who interviewed Wechsler.[ix] He commented that Wechsler was '[a] clear, straightforward young man. Average intelligence. Quite good in general'. [x] This, plus his previous membership of the Czechoslovakian Young Communist League (which would provide him with an important credential for penetrating communist organisations in Australia) and the fact that he was single, passed his medical examination, had an aunt who lived in Australia, and that he would seek employment in 'a similar trade', meant that, on 29 May 1969, his application was approved. He departed from Austria on 4 July and arrived in Australia on 7 July.[xi] He gained employment as a fitter in various Melbourne factories before shifting to Brisbane, in March 1970, where he worked for eighteen months. On 22 December 1971, he was granted citizenship and on Australia Day, 26 January 1972, he was naturalised.[xii]

In November 1972, one month before the election of the Whitlam Labor government, Wechsler was placed on the ASIO payroll. Precise details about the terms of his appointment remain obscure. Because Wechsler worked for ASIO all requests to access his file(s) have been refused. It is plausible, however, that ASIO regarded him as one in that long line of embittered Czech refugees in Australia that stretched back to the Prague *coup d'état* of February 1948 who became active anti-Stalinists.[xiii] A former SYL Executive member recalled how Wechsler emphasised his suffering under the Stalinist regime in Czechoslovakia and how that shaped him into becoming an anti-Stalinist communist.[xiv] Most likely, he also conveyed this to the ASIO officer in Vienna. This, then, was one form of recruitment – via immigration 'screening' in Australian embassies. Another method favoured by ASIO was to attract university students known to be hostile to the radical student organisations that flourished on campuses in the 1970s. In September 1975 a nineteen-year old Adelaide student, Lisa Walters was recruited by ASIO to infiltrate the Trotskyists Socialist Youth Alliance, the youth arm of the Socialist Workers' League. She broke with ASIO on 19 May 1976, revealed her role and publicly denounced the security services.[xv] She was re-admitted into the SYL soon after her confession.[xvi]

At ASIO's request, Wechsler joined the CPA in March 1973 after contacting a communist state organiser in the Australian Metal Workers' Union, Alan Ritter.[xvii] The other main Communist Party, the Maoist-oriented Communist Party of Australia (Marxist-Leninist) led by E.F. 'Ted' Hill, was virtually impervious to penetration: there were no membership lists, formal meetings were rarely held, it was conspiratorially-organised, and the intensely secretive Hill was obsessive about security.[xviii] According to Hill, prospective members were 'thoroughly scrutinised...and I mean thoroughly scrutinised'.[xix] Wechsler's ASIO contact was 'John' – arguably John Mace, known to the Committee for the Abolition of Political Police as an operative 'involved in the more open type of legwork'[xx]. Wechsler's codename was 'Bosch'. Initially, ASIO provided money only for expenses, such as taxi fares to communist meetings; later he received a monthly allowance of \$36.[xxi] Wechsler's ability to work for ASIO as a double-agent, which necessarily involved mendacity and duplicity, defies easy explanation. His world was murky. Interviews with some of those who knew or met him at the time failed to shed clear or uniform light on Wechsler's character; they ranged from 'big-noting' and 'delusions of grandeur' to – more often – 'he was a mystery'.[xxii] We are not permitted those insights that were given, for example, by the Soviet spy, Klaus Fuchs. This German-born British physicist, who transmitted crucial atomic secrets to the Soviets, referred – ingenuously, it would appear – to his 'two separate compartments' and his 'controlled schizophrenia', which enabled him to live a double life comfortably.[xxiii] Nor do we have, in Wechsler's case, the richness of source material that recent

biographers of David Greenglass or Alger Hiss could draw on.[xxiv] However, from various sources it is still possible to reconstruct Wechsler's life in the period he was employed by ASIO.

For approximately three months in 1973, Wechsler worked for the CPA.[xxv] He sold *Tribune*, the Party's weekly paper, on street corners, wrote two articles under his name on the Soviet invasion of Czechoslovakia - which the CPA controversially opposed - and soon secured part-time cleaning work in the Communist Party offices for which he was paid \$15 per week.[xxvi] He also provided ASIO with a report on CPA activities. During this period, a member of the Czech security services approached him whilst selling the *Tribune* outside the Myers Department store in Melbourne; he informed Wechsler that the Czech Consulate in Sydney wished to discuss the possibility of providing information about the CPA. ASIO provided him with his itinerary, instructions, expenses and plane ticket to Sydney. He met the Czech Consul in Bellevue Hill, and reported back to 'John', his ASIO contact, the next day in Melbourne. Allegedly the Consul had suggested that 'if you'll work for us, we'll send you back to Czechoslovakia for special training as an agent'.[xxvii] Wechsler did not return to his country of birth but nor did he return to the Communist Party. Instead he redirected his intelligence activity to two emerging Trotskyist political groups: the Socialist Youth Alliance (SYA) and the Socialist Workers' League.

For some of the details of Wechsler's involvement in these organisations, it is necessary to draw on reports published in the *Sunday Observer*, a widely circulating Melbourne weekly newspaper. This source should be treated with some circumspection: its politics were clearly to the Right and the paper was occasionally accused of engaging in muckraking and scuttlebutt. However, sensationalism is not the same as falsification and the essence of its account has been corroborated by other sources. Moreover, the reports, published in February and March 1975, assume significance in that they reveal much about the mentality and the *modus operandi* of an ASIO informant, and the manner in which intelligence was collected by ASIO.

Wechsler joined the Melbourne branch of the SWL in February 1974 after being recruited by SWL National Executive member, Jim McIlroy.[xxviii] He quickly became the best 'seller' of the SWL weekly paper, *Direct Action*, and projected himself as a dedicated, utterly committed Bolshevik.[xxix] According to the Melbourne correspondent for *Tribune*, the SWL seized the opportunity to give 'great prominence' to his apparent conversion from Stalinism, with his attacks on the CPA being reprinted by the United Secretariat of the Fourth International in several countries.[xxx] This was consistent with the frequent, and often splenetic, ideological point-scoring between Trotskyists and Stalinists - which continued even after the late 1960s when the CPA had, for the most part, jettisoned the Soviet model. From ASIO's perspective, it was not the Communist Party about whom intelligence was needed (as the bulging National Archives of Australia files for this period testify), but new and growing revolutionary groups (SWL, SYA and the Australian section of the Popular Front for the Liberation of Palestine) of whom ASIO was less cognisant. In Wechsler's words, 'I knew it would be a long, hard job to infiltrate any one of these groups, but I decided I'd have to try for the good of the country. I decided...to pierce the tough security of the Socialist Workers' League'.[xxxi] Eight months later, in October 1974, Wechsler was elected to the Executive of the Melbourne branch and became its Minute Secretary - an ideal position to obtain information that could be forwarded to ASIO. When one SYL Executive member was recently asked how Wechsler, who did not appear to possess a strong or dynamic personality, rose to this position, Mary Merkenich suggested it was due to the conscious policy of the SWL to 'encourage comrades to take on leadership positions'.[xxxii] He attended SWL Executive meetings every Sunday night at the SWL headquarters at 140 Queensberry Street

in Carlton and soon was providing a regular flow of information about SWL members, meeting dates and places, financial details and activities.[xxxiii] By the time he formally resigned from ASIO in February 1975 after twenty-six months working as a double agent Wechsler's ASIO salary had risen to the substantial sum of \$140 per week.

A source quite different from the *Sunday Observer* provides a clear indicator why the SWL appeared as a threat to Australian security and why Wechsler was encouraged to infiltrate it. This source comprises two documents, one seven-page, the other four-page, entitled 'Trotskyist Organisations in Australia', and 'Trotskyism in Australia'. They are dated June 1972 and focus on the Socialist Workers' League. In their tenor and in their highly informed specific detail, they bear remarkable resemblance to ASIO reports, although no comparable ASIO file from the 1970s related to Trotskyist organisations has yet been declassified. The documents were originally in the possession of B.A. Santamaria, one of Australia's leading anti-communist activists and ideologues.[xxxiv] The author of these documents remains unknown although it is plausible that he/she was an ASIO field officer: there is strong circumstantial evidence that Santamaria was 'not without influence' in ASIO and that each cooperated and 'maintained links' with the other.[xxxv] One document asserted:

In effect, Trotskyists are left wing communists, concerned with overthrowing imperialism...and advocates of violent and "permanent revolution" on an international scale... It was not until the formation of the Socialist Workers' League (SWL) in 1972 that a formalised Trotskyist organisation operated in Australia... [It] has an effective propaganda apparatus including bookshops in most capital cities, a regular press, and a steady flow of propaganda material. But perhaps the most significant field for Trotskyist proselytization lies in the ALP where the recently formed 'Socialist Left' operates in its NSW and Victorian branches.[xxxvi]

Given, as we shall see, the allegations of Wechsler, and consequently those of Senator Ivor Greenwood, this assessment was to assume significance. The report alleged that 'the prime tactic of Trotskyists' was the 'penetration of labour... as well as within the trade unions, student activist bodies, and mass protest organisations...'.[xxxvii] A separate document, headed 'A Note on Terrorist Activity', identified the Sydney-based Revolutionary Marxist Group as a Trotskyist organisation that pursued revolutionary goals 'through concepts such as the "Popular Liberation Front" movement and using tactics varying from student and industrial agitation to revolutionary warfare'.[xxxviii] It noted Trotskyists' support for a variety of foreign 'revolutionary or "freedom" movements' that were potentially 'an international terrorist conspiracy'. The report included photocopies of two newspaper articles respectively entitled 'Uniting, terrorists of the world' and 'Death International', which answered in the affirmative the opening question, 'How close are the links between the world's guerrilla organisations?'[xxxix] It needs to be remembered, of course, that the Trotskyist movement in Australia, was (and is) fragmented and predisposed to constant internecine warfare. Only the monthly paper of the Sydney-based Communist League both condemned Wechsler's infiltration of the SWL and 'the actions of ASIO and the Labor governments [sic] collusion', which represented a threat 'to the Left as a whole'.[xl]

So what intelligence did Wechsler provide ASIO about the SYL? First, that the SWL had infiltrated the Australian Labor Party (ALP) and controlled the Young Labor Association (YLA). In contravention of ALP rules, SWL members joined the ALP under assumed names.

Subsequently, the SWL became a proscribed organization and its members were expelled from the YLA although many still retained membership of the ALP.[xli] This feature of Trotskyists permeating the Labor Party was echoed in Great Britain. Second, that three senior ALP government ministers sympathised with the SWL and wrote letters promising support, prefaced by 'Dear Comrade', to the organisation. Wechsler identified the Deputy Prime Minister, Dr Jim Cairns, the Attorney-General, Kep Enderby, and the Minister for the Environment and Conservation, Dr Moss Cass, as 'people with whom contact was made and from whom help was obtained when it was needed'.[xlii] All three were on the Left within the ALP. According to a member of the State Executive of the SWL, Doug Jordan, Cairns did, in fact, assist the re-admission of SWL members into the YLA after their expulsion in 1974.[xliii] Wechsler also alleged that an ALP National Conference delegate (D.W. Lorimer) was preparing to stand as a SWL candidate at a future Federal election. Third, that the SWL posed as a student group to gain access to a Catholic-run complex at Ocean Grove and used it as a so-called 'training camp' from 28 December 1974 until 5 January 1975.[xliv]

Wechsler did not confine his role to securing and transmitting intelligence to ASIO; he also was active 'on the ground'. In late 1974, he helped arrange the large demonstration against the visiting Shah of Iran. As one of the six-member organising committee, which met in the Victorian Trades Hall building, he made suggestions concerning location - that apparently were accepted - enabling ASIO to take the best possible photographs 'from their hidden vantage point in a building overlooking the City Square'. He also stole, and delivered to ASIO, a set of duplicate keys to the headquarters of the SWL in Rundle Street in Adelaide; this allowed ASIO agents to conduct a 'Watergate-type break-in'. Additionally, he anonymously informed a real estate agent that the lease approved for a meeting place in Peel Street, North Melbourne, was not for a group of innocent students but for the SWL. Although the SWL had moved in and spent large sums on renovation, the lease was cancelled. According to Wechsler, this 'was a major set-back for their finances'.[xlv]

Despite these real or apparent intelligence coups, on 20 February 1975 Wechsler resigned from ASIO. His letter of resignation stated that his 'efforts were rendered useless due to the attitudes of the present Labor Government towards internal and external national security'. Consequently, Wechsler now 'wanted to let people know what was going on'. His resignation letter was cited in the Commonwealth parliament by a prominent Liberal Party front-bencher, Senator Greenwood.[xlvi] Ivor John Greenwood, Q.C., was the Deputy Leader of the Opposition in the Senate. A Victorian Senator, he had previously been Minister for Health (April-August 1971) and Attorney-General (August 1971-December 1972) in the McMahon government. He denounced the PLO as vociferously as he supported the South African Springbok rugby team that toured Australia, amidst immense controversy and protest, in June 1971. He was much disliked by Labor supporters. As we shall see, Greenwood became Wechsler's confidant. In parliament he attempted to extract political capital: he used Wechsler's allegation to accuse the Federal Government of 'inaction' to counteract 'Trotskyist infiltration of the Australian Labor Party'.[xlvii] Immediately prior to his resignation, however, Wechsler had approached the *Sunday Observer*, which enjoyed the largest newspaper weekly readership in Victoria, and sold his story for an undisclosed sum.

The paper's 'scoop' was published over two issues, on 23 February and 2 March 1975. The first issue covered a full seven pages; the second over two pages. Wechsler told his story to Chris Forsyth, a 36 year-old journalist who, eight months later, was to become the editor of the

Sunday Observer. Forsyth judged Wechsler to be a ‘complicated, confusing man’ but a ‘true-life double-agent [who] stopped at nothing’ and who had now ‘come in from the cold’.[xlvi] His story was trumpeted as a ‘startling expose of the twilight world of espionage in Australia’. He verified Wechsler’s credentials by personally telephoning ASIO and then listening to Wechsler’s conversation on an extension line. Wechsler identified himself using his cover name, ‘Bosch’, and was connected to ‘John’, his ASIO contact; the transcript of their conversation was reproduced in the *Sunday Observer*. According to the recollection of a former ASIO officer, when Wechsler’s story hit the press, he immediately ‘went into damage control’. There was ‘a bit of a witch-hunt’ but those ASIO officers who sat in judgement had been involved in the Wechsler operation when it first commenced.[xlvii]

Media exposure for this ‘true-life double-agent’ continued. On 24 February 1975, he appeared on commercial television: channel Nine’s high-rating ‘A Current Affair’. Neither the transcripts nor recorded copies of this program are available.[i] However, according to one unsympathetic journalist for the *National Times*, William H. Martin, the first interview demonstrated ‘his limited command of the English language and his inability to understand questions and answer them’. This prompted Martin to question the accuracy of the reports that Wechsler supplied to ASIO.[ii] No such doubts were harboured by Greenwood. On 28 February he flew to Hobart, where Wechsler was in hiding, for a five hour taped interview with Wechsler.[iii] It has not been established whether Wechsler or Greenwood initiated the meeting, but it is clear from proceedings in the Senate that the Liberal Party saw in the Wechsler case an opportunity to discredit the Labor administration. One Labor member, William Brown, certainly saw it in these terms. The Opposition, he stated, ‘will stoop to anything, stoop to any tactic or technique to try to undermine this Government’. Furthermore, he alleged, Greenwood’s use of Wechsler was a ‘thrust’ against the Labor Party, a tactic ‘to create fear in the minds of people’, and ‘may well be part of a calculated plan again to raise the sort of McCarthyism that we had in this country back in the 50s.’[iv]

However, it was not the Liberal Opposition but the Labor Attorney-General, Kep Enderby, who was questioned by the Victorian Council for Civil Liberties. On behalf of the SWL, it sought, unsuccessfully, an explanation for the criteria used by ASIO ‘in deciding whether to place an organisation under surveillance’, whether the SWL was subject to such surveillance, and whether its phones had been tapped.[v] This brought to the fore the thorny issue of how a security service balances preservation of individual rights and liberties with responses to actual or apparent national security threats.[vi] Indeed, the Communist Party had earlier made submissions concerning breaches of civil liberties – that included extensive evidence of illegal electronic and telephonic surveillance of CPA offices by ASIO – before the Royal Commission on Intelligence and Security.[vii]

The Wechsler case not only throws a small spotlight on ASIO and the question of civil liberty; it also illuminates the politics of the period. From late 1974, the Liberal Opposition was in a bloodthirsty mood. The persistent media-fed furore from December about Dr Cairns’ controversial appointment of and relationship with Juni Morosi; the early rumblings about the ‘Loans Affair’;[viii] and the harder edge given to the Opposition provided by the new leadership from March (when Malcolm Fraser toppled W.M. Snedden), combined to shift the Liberal Party onto the offensive.[ix] In this context, the parliamentary debates that swirled around Wechsler throughout 1975 were vitriolic. Even by the standards of the final year of the Whitlam government – when it was increasingly besieged and the attacks of the Liberal opposition were becoming more malicious – they astonish the reader thirty years later. Labor senators were equally

visceral in defence. In response to a question without notice from Greenwood concerning Wechsler, Senator J.R. McClelland, for example, described Greenwood as 'hysterical'. [lix] Labor Senator J.A. Mulvihill then asked the President of the Senate to 'control this animal on my right'; he referred to Senator Webster, who supported Greenwood. Webster had just made a remark, not recorded in *Hansard*, which Senator J. M. Wheeldon described as 'one of the most despicable things that I have ever heard in this Parliament'. Wheeldon proceeded to call him a 'little swine' and a 'cur'. McClelland told Webster, 'I will fix you for that'. [lx]

Greenwood rose to speak on 5 March during a relatively uncontroversial debate on *Appropriation Bill (no.4) 1974-75*.

There is in Australia a young man named Max Wechsler. He is a Czech refugee from the Russian communism which was so forcefully re-imposed on Czechoslovakia in 1968...I have spoken to [him] and have spent many hours listening to and recording his story. I believe he was regularly reporting to ASIO and was paid by ASIO. I am satisfied that he was active in the Socialist Workers League and aware of the many activities and links and associations of that body.[lxi]

Greenwood commented that, apart from Wechsler's appearance on 'A Current Affair' and a denigrating article by the *Nation Review*, [lxii] there had been no publicity given to the revelations by any of the media in Australia. Greenwood then went on the offensive.[lxiii] He alleged that Wechsler had terminated his agent's role because 'he had expected Government action and it had not been forthcoming'. Greenwood implied this inaction was due to the increasing links between the ALP and the SWL: 'There is a pattern of [SWL] infiltration which is occurring in South Australia and in New South Wales, and there is close co-operation with the socialist left of the Australian Labor Party'. He cited a 1974 ALP pamphlet that referred to the strength of Trotskyists within the Young Labor Association and concluded: 'I am citing from a document which indicates the peril...which this nation is facing. It is a peril which ought to concern the Government because the Government has a responsibility'. [lxiv] He echoed Wechsler's allegations that Cairns, Cass and Enderby supported the SWL. Greenwood's statements provoked lurid headlines in metropolitan newspapers: 'Communist Plot Warning Ignored', 'Cairns accused of aiding communists', 'Labor Three "help Trotsky groups"' and 'Armed Takeover Plans: Senator'. [lxv] He also accused the Women's Abortion Action Coalition, which embraced several senior women members of the ALP, of being a SYL front; this accusation was subsequently challenged by Senators Jean Melzer and Brendan O'Keefe, the latter excoriating Greenwood for 'dropping loads of rubbish on quite honourable members of the Australian society'. [lxvi]

On the same day, 6 March 1975, that Greenwood repeated Wechsler's allegations that senior Labor Ministers knowingly assisted the SWL, Wechsler was speaking with a *Nation Review* journalist, Angus Downie. The meeting, held over four hours in Wechsler's room at the Hobart Travelodge, had been arranged through one of Downie's Liberal Party contacts. Wechsler had already been approached by the president of the Tasmanian branch of the Right-wing National Civic Council, Rocco Mimmo, to arrange a meeting with B.A. Santamaria when Wechsler returned to Melbourne. [lxvii] Downie found him carrying a German made .22 Erma-Werke automatic rifle. Wechsler had recently purchased it in Hobart where, unlike in other Australian states, licences for rifles were not obligatory. Downie found Wechsler 'unsure of himself [and] eager to prove his credibility'. [lxviii] He also believed that Wechsler had 'an

extremely limited knowledge of political ideology'. Wechsler related a meeting with Deputy Prime Minister, Dr J.F. Cairns in St Kilda when Cairns discussed democratic socialism; Wechsler equated this with communism: 'It means nationalising the means of production to make everyone public servants'. If correct, such political naïveté reflects poorly on ASIO's recruitment practices in the 1970s. Wechsler explained that he went to the *Sunday Observer* rather than the *Melbourne Age* because the latter comprised too many 'Labor people'. During this interview, significantly, the Canberra office of Senator Greenwood rang. Wechsler was given an update of Greenwood's statement to the Senate earlier that afternoon. He sought advice from Greenwood's secretary whether he should seek protection from the Commonwealth police when he returned to Melbourne. Downie concluded that all Wechsler's hopes were being pinned on Greenwood's agitation; as he told Downie, '[t]his could cause the downfall of the [Whitlam] government'.^[lxix] It remains unclear, of course, whether this was merely hubristic fantasy on Wechsler's part or whether Greenwood had implied this to Wechsler during their meeting a week earlier. What is clear is that a relationship continued to exist between Max Wechsler and Ivor Greenwood. This paralleled what ASIO's detractors frequently alleged: that, rather than being a neutral instrument of the state, ASIO, since the early 1950s, worked hand-in-glove with Liberal Party politicians.^[lxx]

The semi-automatic rifle purchased by Wechsler in Hobart became prominent in the further unfolding of this saga. Its first appearance, soon after his return to Melbourne, occurred during his second interview on 'A Current Affair' on 10 March. It lay, loaded, by his side throughout the interview.^[lxxi] It was necessary, he said, because threats against his life had recently been made by representatives of the Palestinian Liberation Organisation (PLO). 'It will come as a shock to the public to know they are here'. In January 1975 the Australian government had refused to grant visas to an official PLO delegation on the grounds that it would 'exacerbate divisions within the Australian community'.^[lxxii] Concern about the PLO and its international links with Left-wing groups had intensified after it claimed responsibility for blowing up an American Boeing 707 in Greece in September 1974. After the Jordanian assault on the PLO during 'black September' in 1970, the PLO headquarters was re-located to Beirut. There, the PLO formulated its 'phased plan' for the destruction of Israel, which reaffirmed armed struggle in the quest to establish independent Palestinian state. Adopted in Cairo in 1974, this goal was not publicly renounced by PLO Chairman Arafat until 1988. In the 1970s concerted efforts were made by representatives of the PLO, already active in Australia, to garner support for their cause and a monthly paper, *Free Palestine*, appeared. Wechsler alleged that the PLO members entered Australia as tourists but had trained as terrorists, specifically to hijack planes. He identified when and where they met and stated that he had previously given ASIO documents on their activities. He maintained that the fact that his life has been threatened substantiated his claims of the terrorist network. In his *Sunday Observer* expose he had also claimed that the SWL, in collaboration with Bill Hartley (who was a member of the Australia-Palestine Committee, had close links with Libya, and was also a leading member of the Socialist Left faction of the Victorian branch of the ALP), organised a visit to Australia of five members of the PLO. Wechsler alleged that some of these 'rifle-carrying Arabs' attended an SWL camp at Steiglitz, near Bacchus Marsh in rural Victoria; that they 'told me they liked the place, it would make a good training camp for their people because it was so quiet and out of the way'; and that he had reported this to ASIO.^[lxxiii] Hartley's outspoken support for the PLO - he was known within ALP circles as 'Bagdad Bill' - led to calls within the ALP for disciplinary action by the ALP Federal Executive.^[lxxiv]

Possession of the same, loaded, firearm resulted in Wechsler's arrest in the heart of

Melbourne. He told the arresting officer, to whom he could not produce a permit, that he was hiding from the PLO, that he soon was due to fly to Israel (where he would 'seek refuge') and, disingenuously, that he worked for ASIO. He was remanded to appear in the City Court on two counts: carrying a loaded firearm in a town, and carrying an unlicensed firearm. Before W.E. Guy SM, Senior Constable J. O'Toole stated that the rifle 'had an unusual feature in that it was like a machine gun'. One SWL member, Jamie Doughney attended the court hearing; he pointed his briefcase in a mock threat towards Wechsler who appealed, unsuccessfully, to the magistrate to clear the court on account of a man threatening him.[lxxv] Wechsler was fined \$200, in default ten days' imprisonment, and ordered to forfeit the .22 rifle and ammunition to the Crown.[lxxvi]

None of this blunted Greenwood's support for Wechsler nor his readiness to throw down the gauntlet to the Labor Government. His justification was that 'the menace of communism in this country has been ridiculed by members of the Labor Party over almost 2 decades. It is so typical of what happened in this particular case as to warrant...exposure'.[lxxvii] He repeated that he was concerned about the local activities of the PLO and about the existence of an organisation – the SWL – that was 'planning, scheming, contriving to create a revolutionary situation in Australia'. Demonstrating that, for him, the Cold War was still in full throttle, Greenwood argued that numerous countries in the West (which he did not identify) had forfeited their democracy because the government of the day was either not alert to the development of 'an internal revolutionary situation' or because 'it may be fashionable – certainly it may be fashionable with the present Government – to decry prospective revolutionary situations'. In applauding Wechsler – from whom he had not heard 'for five or six weeks' and who, he forebodingly stated three times, may no longer be alive – Greenwood saw his informant in a similar way to how the House Committee on Un-American Activities saw ex-communists (such as Louis Budenz, Elizabeth Bentley or Whittaker Chambers) who testified before it:

Mr Wechsler has contributed...towards the exposure in this country of something that ought to be exposed. There will be a day when we will be indebted to these people for their courage in exposing things which a lot of noisy people do not want to have exposed.[lxxviii]

One of these 'noisy people' was, once again, Jim McClelland, who represented the Attorney-General, Kep Enderby, in the Senate. He alluded to Wechsler's arrest and criminal conviction on the firearm charge, which transformed him from Greenwood's 'knight in shining armour' to a 'misguided ratbag', 'obviously neurotic [and] unbalanced'. In this manner, McClelland continued, 'Senator Greenwood's exposé of the Labor Party was exposed for the poor, pathetic character that he was'. McClelland invoked the wisdom of Karl Marx to suggest that what occurred in history first as tragedy repeated itself as farce. He claimed the Petrov case – Vladimir Petrov, as we have seen, was a senior KGB officer in Canberra who dramatically defected in 1954 - was tragic in that it destroyed Evatt and split the Labor Party; the Wechsler case, however, although also involving spies and communist plots, was pure farce. Thus, 'Mr Menzies' Petrov has been replaced by Senator Greenwood's Wechsler'.[lxxix] McClelland claimed, incorrectly, that the reason Greenwood had not heard from Wechsler was due - 'and this is a piece of information that [Greenwood] has forced me into giving' - to his confinement 'for some time' in a Queensland mental institution. [lxxx]

Six months later, on 30 October 1975, when parliament was preoccupied with Tirath Khemlani and the 'Loans Affair', Greenwood accused McClelland of both deliberately misleading

parliament and grossly defaming the character and standing of an individual. Wechsler, Greenwood claimed, was overseas at the time McClelland alleged he was in a psychiatric institution. He knew this because he had met Wechsler the previous week, examined his passport, and learnt that he was detained in the Czech Embassy in London against his will 'for a period of time'. Wechsler also visited the Australian High Commissioner's office in London and the Australian Embassy in Bonn.[lxxxix] The *Sunday Observer* contacted both Greenwood and Wechsler and confirmed that they met, noting that Greenwood 'backed his former ASIO spy – after listening to him for two hours on Friday [24 October]'. According to Greenwood, McClelland 'tried to rubbish Wechsler with ridicule – it's a typical communistic tactic'. According to Wechsler, now described as 'the former Czech citizen who first tipped the bucket on the Government's security blindness', McClelland's allegation was 'scandalous'. Wechsler produced proof that on 22 April 1975 – when McClelland claimed he was incarcerated in Queensland – he was on a train travelling between Kuala Lumpur and Bangkok.[lxxxii]

Greenwood sought an explanation of the Government's role in the refusal to provide Wechsler with consular assistance in London and Bonn. He broadly hinted that ASIO may have been involved: in London, Wechsler was shown documents – a photocopy of his new Australian passport, issued only in March 1975, and photographs of meetings in Australia – that 'could have come only from sources which were close to ASIO'. It is highly probable that ASIO, now hostile to its former agent who went public, and itself under the spotlight of a Royal Commission, may have contacted MI5 or, through the Department of External Affairs, Australian consulates overseas, warning them to be wary of Wechsler. Greenwood also sought the source of McClelland's information about Wechsler's supposed insanity: did it come from ASIO or 'from those communist groups whose penetration into the Australian Labor Party Mr Wechsler was at such pains to expose?' What he received from McClelland was vitriol: 'If Mr Wechsler has not been in a mental asylum, it is about time he received psychiatric treatment...The honourable senator's question merely proves that he is in much the same condition as that which I have attributed to Mr Wechsler'. To the question from Mulvihill, about who paid for Wechsler's overseas trip, Greenwood left the answer dangling: 'Does it matter who paid his fare?' [lxxxiii]

Wechsler obviously located the sufficient fare to travel, once more, to Bangkok. Senator Reg Withers, now on the Government benches and representing the Minister for Foreign Affairs, stated that Wechsler was given consular assistance in March 1976 in Bangkok.[lxxxiv] For Wechsler, this location presumably proved congenial, for it became his place of residence. In the late 1970s he worked for the Australian Commonwealth police and the narcotics section of the Thai police as an informant.[lxxxv] An ASIO officer, who knew Wechsler from his double-agent days and who saw him at the Australian Embassy, has made an astonishing revelation. Wechsler, he stated, was also an *agent provocateur*. Whilst working with the Thai police, Wechsler established a connection with the Ananda Marga sect and was responsible for the arrest in Bangkok in March 1978 of members who were sold explosives by Wechsler.[lxxxvi] The three Ananda Marga – two Australians and one American – were charged with conspiring to blow up the Indian Embassy. They were enticed to implicate Australian sect members (Tim Anderson, Paul Alister and Ross Dunn) in the deadly explosion outside Sydney's Hilton hotel in February 1978. In return, their charges would be dropped. They maintained their innocence, claimed the explosives were planted on them, but had their passports confiscated by Australian immigration officials in Bangkok, and spent the next six months in a Thai prison. When the case came to court it became clear they were 'set-up' and after a face-saving guilty plea, they were freed.[lxxxvii] Wechsler continued living in Bangkok in relative obscurity until 2002. That year, on 22 August,

Wechsler reported the theft of four million baht from his home near Sukhumvit road, Bangkok. The *Bangkok Post* described him as a ‘businessman’. A smiling, chubby and almost avuncular looking Wechsler was pictured sitting with a senior police officer during a press conference in front of the recovered cash. The prime suspect, who had been arrested, was a locksmith whose services Wechsler had previously used, who gained access to Wechsler’s residence after duplicating his keys.[lxxxviii]

What light does this unusual story cast on the history of Australian intelligence? First, it reveals the eagerness of senior members of the Liberal Party, personified in this instance by Ivor Greenwood, to use Wechsler’s revelations as a Trojan horse to impugn the Labor government’s commitment to national security. Labor’s alleged laxity was a continuing theme in Liberal/Country Party’ attacks on Labor that stretched back into the early Cold War years, but also has continued into the present, indicated by a recent speech of the Australian Foreign Minister, Alexander Downer.[lxxxix] Second, it captures the ambivalent mood of the Whitlam Government towards ASIO. On the one hand, it sanctioned the raid on ASIO headquarters in Melbourne in March 1973 instigated by Attorney-General Lionel Murphy, and established the Hope Royal Commission into the intelligence and security services in August 1974.[xc] The Deputy Prime Minister at the time of the Wechsler affair, Dr Cairns, was certainly no friend of ASIO.[xci] Tensions between ASIO and the Labor Government remained extremely strained until the latter’s dismissal in November 1975.[xcii] But on the other hand, unless illegal (which was unlikely) the phone tapping by ASIO of the SWL, that Wechsler alleged, must have been authorised by the Attorney-General’s Department – hence the concern, referred to earlier, directed by the Council for Civil Liberties to Enderby. Indeed, according to a senior ASIO official, surveillance of Left-wing groups actually intensified during Labor’s reign.[xciii]

Finally, it illuminates the extent to which Australia’s domestic security service viewed Trotskyist groups, and the SWL in particular, as a threat to internal security. It perceived the SWL as one of the fastest-growing ‘New Left’ groups, which, through its overseas connections - especially with the PLO - was potentially dangerous. International terrorism, it seemed, had its acolytes in Australia. This perception may have been exaggerated, even Manichean, but it was genuinely held. However, ASIO knew considerably less about the nature of either the SWL’s overseas links or its local activities than it did, for example, about the Communist Party, which had suffered splits (1963 and 1971), expulsions and dwindling membership since the mid-1940s. One key source of intelligence was agents who could successfully infiltrate the organisation. Maximilian Wechsler was such an agent. He and Lisa Walters, referred to earlier, were to be the last double agents in Australia to go public. Thereafter, presumably, ASIO vetted and chose its informants more carefully. Correspondingly, opportunities for intelligence historians to understand this aspect of security work have diminished.

[i] See, for example, Sharif Shuja, ‘Guaging Jemaah Islamiyah’s Threat in Southeast Asia’, *Terrorism Monitor*, 3 (8), 21 April 2005.

[ii] Recent works include G. Edward White, *Alger Hiss’s Looking-Glass Wars: The Covert life of a Soviet Spy* (New York: Oxford University Press, 2004); R. Bruce Craig, *Treasonable Doubt: The Harry Dexter White Spy Case* (Lawrence: Press of Kansas, 2004); Richard Thurlow, ‘Soviet Spies and British Counter-Intelligence in the 1930s: Espionage in the Woolwich Arsenal and the Foreign Office Communications Department’, *Intelligence and National Security* 19/4 (2004) pp.610-31; Lauren Kessler, *Clever Girl: Elizabeth Bentley, the Spy Who Ushered in the*

McCarthy Era (New York: Harper Collins, 2003); Kathryn S. Olmstead, *Red Spy Queen: Elizabeth Bentley and the Cold War at Home* (Chapel Hill: University of North Carolina Press, 2002); Allen Weinstein and Alexander Vassiliev, *The Haunted Wood, Soviet Espionage in America – the Stalin Era* (New York: Random House, 1999); Nigel West and Oleg Tsarev, *The Crown Jewels. The British Secrets at the Heart of the KGB Archives* (London: Harper Collins, 1998); Phillip Deery, 'Cold War Victim or Rhodes Scholar Spy? Revisiting the case of Ian Milner', *Overland*, No. 147, 1997. Memoirs are abundant: see, for example, Kim Philby, *My Silent War*, (London: MacGibbon & Kee, 1968); Yuri Modin, *My Five Cambridge Friends* (London: Headline, 1994).

[iii] See, for example, Brian Crozier, *Free Agent: The Unseen War 1941-1991* (London: Harper Collins, 1993); Matt Cvetic, 'I Posed as a Communist for the F.B.I.', *Saturday Evening Post*, October 1949; Herbert A. Philbrick, *I Led Three Lives: Citizen, "Communist", Counterspy* (London: Hamish Hamilton, 1952); Ted Morgan, *A Covert Life: Jay Lovestone, Communist, Anti-communist, and Spymaster* (New York: Random House, 1999).

[iv] George Fraser, *Seeing Red. Undercover in 1950s New Zealand* (Palmerston North: Dunmore Press, 1995).

[v] David McKnight, *Australia's Spies and their Secrets* (Sydney: Allen & Unwin, 1994) chs. 16-19; Frank Cain, *A.S.I.O. An Unofficial History* (Richmond: Spectrum, 1994) p. 202.

[vi] For an interesting textual study of ASIO files see Fiona Capp, *Writers Defiled: security surveillance of Australian authors and intellectuals, 1920-1960* (Melbourne: McPhee Gribble, 1993). Capp uses the fragmentary evidence of accessible files to demonstrate how security services created a fictional world that reduced its characters from agents of their own lives to instruments of an alien power. Like Capp's study, there is no reference to actual infiltration of organisations in Andrew Moore's otherwise fascinating "'A Secret policeman's Lot': The Working Life of Fred Longbottom of the New South Wales Special Branch", in *All Our Labours: Oral Histories of Working Life in Twentieth Century Sydney*, ed. John Shields (Kensington: New South Wales University Press, 1992) pp. 193-226.

[vii] It has proved impossible to locate – in order to interview - the precise current whereabouts of Wechsler (presumably still in Bangkok) or any of his relatives (presumably still in the Czech Republic).

[viii] *Direct Action*, 68, 19 August 1974, p. 14.

[ix] Interview with a retired senior ASIO officer, who requested anonymity, 9 June 2005. He was located in the New South Wales headquarters of ASIO but was sent to Melbourne in 1975 to 'sort out' the fall-out from the Wechsler case.

[x] The above details are drawn from Wechsler's immigration file, National Archives of Australia, A2559, 1969/154/13.

[xi] *Ibid.*

[xii] At that time applicants for citizenship were required to have resided in Australia for at least five years. However, in Wechsler's case the Liberal Party Minister for Immigration, J. Forbes, used his discretionary power to waive this waiting period.

[xiii] The most prominent of these was Frank Knopfmacher (1923-1995), a controversial political philosopher and psychologist from the University of Melbourne who from the late 1960s became a forceful Cold War combatant and the de facto academic leader of those supporting Australian military involvement in the Vietnam war. See 'The Nine Lives of Frank Knopfmacher', <http://www.pwhce.org/textknop.html> (accessed 24 May 2006).

[xiv] Interview with Mary Merkenich, 6 June 2005

[xv] John Edwards, 'The Adelaide Spy Caper', *National Times*, 24-29 May 1976, pp. 18-19; *Direct Action*, No. 119, 3 June 1976, p. 4.

[xvi] Interview with Doug Jordan, former SWL State Executive member, 2 July 2005.

[xvii] *Nation Review*, 16-22 November 1973, p. 144. As a fitter at Wormald Bros. and subsequently at International Harvester, Wechsler had joined the Australian Metal Workers' Union.

[xviii] Information supplied by a former CPA (M-L) member from 1974 to 1980, John Herouvim (deceased). See also Herouvim's unpublished history of the CPA (M-L), especially ch. 3 ('A Party of New Type'). The small, recently-formed Moscow-oriented Socialist Party of Australia was, arguably, seen as less of a threat to national security in 1974 than the CPA or CPA (M-L).

[xix] E.F. Hill, cited in Herouvim, ch. 3, p. 81. Until his expulsion from the CPA in 1963, Edward ('Ted') Fowler Hill had been a member of the CPA Central Committee (CC) from 1948, Victorian State secretary and CC Secretariat member from 1952 and had attended the 20th and 21st Congresses of the Communist Party of the Soviet Union in 1956 and 1959. The assessment that he was 'Stalin-like, cold, withdrawn, vindictive, and extremely dogmatic' is not inaccurate. Peter Cook, *Red Barrister: A Biography of Ted Laurie QC* (Melbourne: La Trobe University Press, 1994), p. 81.

[xx] Joan Coxsedg, Ken Coldicutt and Gerry Harrant, *Rooted in Secrecy: the Clandestine Element in Australian Politics* (Melbourne: Committee for the Abolition of Political Police, 1982) p. 133.

[xxi] *Sunday Observer*, 23 February 1975, p. 15.

[xxii] Interviews in 2005 with Robin Howells (journalist), former ASIO officer, Bernie Taft and Dave Davies (CPA executive members), and Doug Jordan and Mary Merkenich (SYL Executive members).

[xxiii] Confession statement of Fuchs, 27 January 1950, cited in Norman Moss, *Klaus Fuchs: the man who stole the atom bomb* (New York: St Martin's Press, 1987), p. 200.

[xxiv] Sam Roberts, *The Brother: the untold story of atomic spy David Greenglass and how he sent his sister, Ethel Rosenberg, to the electric chair* (New York: Random House, 2001); G. Edward White, *Alger Hiss's Looking-Glass Wars: the covert life of a Soviet spy* (New York: Oxford University Press, 2004).

[xxv] *Tribune*, 4 March 1975, p. 12.

[xxvi] A former *Tribune* journalist remembers Wechsler as someone 'over-eager' to prove himself. He also thought him 'eccentric'. Interview with Dave Davies, 8 June 2005.

[xxvii] *Sunday Observer*, 23 February 1975, p. 15.

[xxviii] Interview with Doug Jordan, SWL State Executive member, 2 July 2005.

[xxix] It was later suspected that he dumped big bundles of unsold *Direct Actions* and that he financed this from his ASIO earnings.

[xxx] *Tribune*, 4 March 1975, p. 12.

[xxxi] *Sunday Observer*, 23 February 1975, p. 15.

[xxxii] Interview with Mary Merkenich, 6 June 2005.

[xxxiii] *Sunday Observer*, 23 February 1975, p. 15.

[xxxiv] These two documents are contained in a larger report, 'New Left – Australia and Communism, 1972', an unpublished file held by the writer and previously in the possession of Andrew A. Campbell, author of *Politics as a Vocation: A Critical Examination of B.A Santamaria*

and the Politics of Commitment, 1936-1957, PhD thesis, Deakin University 1989. For Santamaria's views on the New Left, see B.A Santamaria, *Santamaria: A Memoir* (Melbourne: Oxford University Press, 1997) pp. 263-4.

[xxxv] McKnight, *Australia's Spies*, p. 201; Cain, *A.S.I.O.*, p. 209. See also Ross Fitzgerald, *The Pope's Battallions: Santamaria, Catholicism and the Labor Split* (St. Lucia: University of Queensland Press, 2003), p. 100.

[xxxvi] File, 'New Left – Australia and Communism, 1972'.

[xxxvii].Ibid

[xxxviii] 'A Note on Terrorist Activity', p. 2 in file, 'New Left – Australia and Communism, 1972'.

[xxxix] The incorporation of newspaper reports into personal and institutional files was also a customary ASIO practice.

[xl] *Militant*, vol. 4, no. 2, February 1975, p. 2 ('ASIO spies on far left'). There was no mention throughout 1975 of the Wechsler case by the Revolutionary Marxist Group's International, the Spartacist League's *The Spartacist*, or the Socialist Workers' Action Group's *The Battler*. For the Healyites (another Trotskyist faction opposed to the SWL), Wechsler's infiltration was confirmation that the SWL was insufficiently concerned with security. In the United States they had recently mounted a campaign against the SWL's counterpart, the Socialist Workers' Party, alleging that two of its leaders (Joseph Hansen and George Novack) were FBI agents. Wechsler appeared to fit this pattern.

[xli] Correspondence with Doug Jordan, SWL State Executive member, 19 July 2005.

[xlii] *Australian*, 7 March 1975; *Sun* (Melbourne), 7 March 1975.

[xliii] Interview with Doug Jordan, 2 July 2005.

[xliv] The SWL response to this 'revelation' was that the camp was open to anyone genuinely interested in the League's political views; that it was advertised in *Direct Action*; that the program included talks on women's liberation and Leon Trotsky, not on 'revolutionary tactics'; and the Ocean Grove complex was run not by Catholics but by Methodists. *Direct Action*, No. 80, 7 March 1975, p. 5.

[xlv] *Sunday Observer*, 2 March 1975, p. 23.

[xlvi] *Commonwealth Parliamentary Debates* (henceforth CPD), vol. S. 63, 5 March 1975, p. 694-5.

[xlvii] Ibid, p. 695.

[xlviii] *Sunday Observer*, 23 February 1975, pp. 2-3.

[xlix] Interview, 10 June 2005.

[l] Archival recordings of 'A Current Affair' have been retained only from 1983. The copyright holder of programs before that date, Mike Willesee Transmedia Productions, informed the writer that transcripts were never made.

[li] *Nation Review*, 28 February-6 March 1975, p. 517.

[lii] Greenwood retained the tapes and, in parliament, offered them to 'anyone in responsible positions' who desired to listen to them. CPD, vol. S. 6317 April 1975, p. 1113. I have been unable to locate these tapes.

[liii] CPD, vol. S. 63, 6 March 1975, p. 742; 21 April 1975, p. 1171, 1173.

[liv] *Civil Liberty*, No. 29, May 1975, p. 6.

[lv] This same issue has been starkly raised by new anti-terrorism legislation in Australia and Great Britain which significantly increase the security powers of both police and security services.

[lvi] Tribune, 11 March 1975, p. 11.

[lvii] The Loans Affair refers to the political scandal that enveloped the Whitlam Government from mid-1975 in which it was accused of attempting to illegally borrow approximately \$AUD4 billion from Middle Eastern countries by bypassing standard procedure as dictated by the Australian Treasury.

[lviii] For a balanced account of these tumultuous events, see Michael Sexton, *The Great Crash: the short life and sudden death of the Whitlam Government* (Melbourne : Scribe, 2005).

[lix] 'Diamond Jim' McClelland, a former Trotskyist who played an active role in defeating the communists in the Federated Ironworkers' Association in the early 1950s, was elected to the Senate in 1970. He was, at various times between 1973-75, Minister for Labour, Minister for Immigration and Minister for Manufacturing Industry. For his interesting account of both his time as a Trotskyist and his time in the Whitlam government, see James McClelland, *Stirring the Possum* (Ringwood: Penguin, 1988) chs. 4-5 and 11-12.

[lx] CPD, vol. S. 66, 30 October 1975, pp. 1601, 1607. Tony Mulvihill was previously a trade union and ALP official, and entered the Senate for NSW in 1965. John Wheeldon entered the Senate for WA in 1965; until 11 November 1975, he was the Minister for Social Security.

[lxi] Jim McClelland disparagingly referred to 'this marvellous melodramatic opening by Senator Greenwood. There should be a roll of drums to introduce it'. CPD, vol. S. 63, 21 April 1975, p. 1174.

[lxii] See *Nation Review*, 7 March-13 March 1975, p. 547. The heading was 'Spy Max's liberal link'.

[lxiii] According to Robin Howells (interview, 27 May 2005), he was reliably told that Greenwood was being fed information by an ASIO informant recruited by Hugo Wolfsohn, the foundation Professor of Politics at La Trobe University. Howells and William H. Martin, the *Nation Review* journalist who investigated Wechsler's story, are the same person. Howells, appropriated the pseudonym 'William H. Martin' from a National Security Agency employee who defected to the Soviet Union in 1960.

[lxiv] CPD, vol. S. 63, 5 March 1975, pp. 694-6. Labor Senator W.W. Brown retorted, 'I name men like Senator Greenwood as the people responsible for the insecurity in this nation right now', and subsequently, 'If there is any threat to the security of this country – I say this quite deliberately – it comes from people such as you, Senator Greenwood...'. CPD, vol. S. 63, 6 March 1975, p. 742; vol. S. 66, 30 October 1975, p. 1659. Elected to the Senate in 1970, Bill Brown was previously a leading ALP and Victorian Trades Hall Council official and was in 1975 the chairman of the Federal Parliamentary Labor Party.

[lxv] See *Australian*, 6 March 1975, *Age*, 6 March 1975, *Sun*, 7 March 1975, *Australian*, 7 March 1975.

[lxvi] CPD, vol. S. 63, 17 April 1975, pp. 1111-13.

[lxvii] In 1973 Mimmo spoke on 'Communist control in Australian trade unions' in the home of the president of Liberal Party's Tasmanian Division, Chris Koch; this is suggestive of the closeness between the NCC and the Liberal Party generally. Flyer in writer's possession provided by Mr J. Cotter.

[lxviii] Similarly, a fellow SWL State Executive member found Wechsler 'lacking in self-esteem' and 'always trying to impress'. Interview with Mary Merkenich, 6 June 2005. An ASIO officer (interview, 9 June 2005) believed he had 'delusions of grandeur' but acknowledged his enthusiasm for undercover work.

[lxix] *Nation Review*, 21 March-27 March 1975, p. 593.

[lxx] Coxsedg et al, Rooted in Secrecy, 88-9.

[lxxi] See “‘Kill” threats to ASIO man’, Sun, 11 March 1975, p. 23. The following is based on this newspaper report. The interview was filmed in Wechsler’s seedy motel room in Richmond, not far from the office of the Sunday Observer.

[lxxii] National Archives of Australia, A5925, Item 3162, Confidential Cabinet Minute, 29 January 1975, Decision No. 3162. See also ‘PLO query for Cairns’, Sun, 15 March 1975, p. 15.

[lxxiii] Sunday Observer , 2 March 1975, p. 23.

[lxxiv] Age, 18 March 1975, p. 3.

[lxxv] Interview with former SYL Executive member, Jamie Doughney, 10 June 2005.

[lxxvi] Sun, 14 March 1975, p. 17; Age, 15 March 1975, p.4; Sun, 15 March 1975, p. 16. I have been unable to locate the records of this case from the Melbourne Magistrates Court.

[lxxvii] CPD, vol. S. 66, 30 October 1975, p. 1656.

[lxxviii] Ibid, vol. S. 63, 21 April 1975, pp. 1176-77.

[lxxix] It had become an article of Labor faith that the timing of Petrov’s defection in 1954 was orchestrated by Prime Minister Robert Menzies to inflict political damage on the Labor Party for the imminent federal election; this conspiracy theory has been effectively rebutted in Robert Manne, *The Petrov Affair: Politics and Espionage* (Sydney: Pergamon, 1987), pp. 93-111.

[lxxx] Ibid , vol. S. 63, 21 April 1975, pp. 1174-76, 1178. In this context, Mulvihill asked McClelland whether action would be taken to ‘stop “cops and robbers” exhibitionists, like Max Wechsler’ being used by ASIO; McClelland replied that the activities of the Australian Intelligence Services were being currently examined by a Royal Commission. CPD, vol. S. 65, 26 August 1975, p. 263.

[lxxxi] CPD, vol. S. 66, 30 October 1975, pp. 1601-02, 1607, 1655-7.

[lxxxii] Sunday Observer, 26 October 1975, p. 10 (‘Max gets hot at Labor’).

[lxxxiii] CPD, vol. S. 66, 30 October 1975, pp. 1602, 1607, 1656-7. It is possible that Greenwood’s office met some, or all, of Wechsler’s travelling expenses but this, and the motives for wanting Wechsler in Europe, have not been confirmed.

[lxxxiv] CPD, vol. S. 68, 27 April 1976, p. 1319.

[lxxxv] Interview with former ASIO officer, 9 June 2005.

[lxxxvi] Ibid.

[lxxxvii] Documents on the Cameron Conspiracy Case and the Hilton Bombing (Brisbane: C.A.D.A. [Campaign for the Acquittal of Alister, Dunn and Anderson], 1985) np.

[lxxxviii] Bangkok Post, 29 August 2002, p. 8. The case of Maximilian Wechsler had previously prompted legal action. From July 1975 until 1980, a member of both the Victorian State Committee and National Committee of the SWL, Jamie Doughney, was engaged in legal action arising from the Sunday Observer articles in which he was named as a supporter of terrorism. Doughney issued a lawsuit in 1975 against the publisher of the Sunday Observer, Maxwell Newton, for defamation. Clive Evatt, QC, well-versed in defamation cases, acted for the appellant, while David Bennett, QC (subsequently Commonwealth Solicitor-General), represented the Crown. When, after three years, the case wound its way into the Supreme Court of NSW for a full jury trial, the judge (Mr Justice David Yeldham) decided in favour of the Crown by refusing Evatt’s request to subpoena ASIO documents concerning Wechsler on the grounds that the SWL constituted a ‘security risk’. However the jury unanimously upheld defamation against the Sunday Observer and awarded Doughney \$15,000. (Interview with Jamie Doughney, 10 June 1975.)

[lxxxix] For the text of the speech, given to the Earle Page College’s Annual Politics Dinner at the University of New England, see

http://www.foreignminister.gov.au/speeches/2005/050517_earle_page_college.html. Accessed 12 December 2005.

[xc] However, Whitlam's instructions to Mr Justice Hope were to better co-ordinate and increase the efficiency of the security services, not to question their necessity. Public hearings opened on 5 March 1975 and the five-volume Report was released in 1977 and 1978.

[xci] In February 1975, an old ASIO dossier on Cairns was leaked to the press (see Age, 25 February 1975, p. 4). For Cairn's ASIO file, see NAA A6119, Item 312.

[xcii] See 'The CIA, Labor and ASIO', The Bulletin, 5 June 1976, pp.14-16.

[xciii] Ibid. The officer, given the pseudonym 'Summers' by The Bulletin, was a senior analyst 'for many years' at the Melbourne headquarters of ASIO.