

The 'Tiny' Rowland File

Part IV in an EIR investigative series. Rowland's rise to fame and riches began with his work for the British Secret Intelligence Service in World War II.

Probing the missing years in the career of Roland "Tiny" Rowland, the World War II years, stirs up the closest-kept secrets of the British Establishment, of Britain's intelligence agencies—of the men who were to sponsor Rowland's rise to worldwide influence as chief executive of the British multinational company Lonrho. Their protection of him, rooted in those years, explains Rowland's apparent political and legal invulnerability, despite a career studded with criminal activity that would have landed anyone else in jail ten times over.

Within a year of his January 1942 internment as a Nazi sympathizer, Rowland was released from the maximum security camp at Peel on the Isle of Man. His early release was extraordinary, given his record. He had been classified as a security risk in the first place, had parents who were interned as security risks and a brother in the Wehrmacht, had consorted with a notorious Nazi (Capt. Archibald Ramsay, MP), had been kicked out of the Royal Army Medical Corps (RAMC) for cheering when British ships were sunk, and had been interned in Britain's highest security camp. Rowland's parents remained interned till the war's very end. By any sort of logic, Rowland should have been judged a *worse* security risk than they were, since he had had a chance to prove his patriotism in RAMC service and had done precisely the opposite.

According to both his old schoolmaster and his cousins, Rowland tried to join the British Secret Intelligence Service (SIS) at the outset of the war. His biographer Dick Hall writes: "There was a rumor for a time that the affluent newcomer was a government agent, slipped into the camp as an informer." Since Rowland has been dogged throughout his career by the rumor he was a Nazi sympathizer, why does he not trumpet his evident SIS ties—the only thing which could explain his lenient treatment—to clear his name? Why, instead, is his wartime intelligence file still unreleased and still top secret?

The Double-Cross Committee

The key to Tiny Rowland, as people from within British intelligence have emphasized from time to time, lies in the activities of the ultra-secret XX (Double Cross) Committee run by British SIS during World War II, and its postwar offshoots. Two key figures in the Double-Cross Committee later became top Lonrho executives, intimately associated with Rowland himself. They were Joseph Ball, one of the

most important British intelligence figures in this century, chairman of Lonrho from 1946 to 1957, and the man who reportedly picked Rowland to run the company; and Nicholas Elliott, a former number-three man in MI-6, former MI-6 Africa head, and a close associate of Rowland at Lonrho before their falling-out in the boardroom split of 1973. Said one source who has investigated Rowland for years, "I couldn't tell you how he picked up Elliott, but it is quite extraordinary that he did. Elliott was well ensconced at Lonrho in the late 1960s, well dug in. He obviously must have known Tiny's antecedents and background, being one of the top men in MI-6. I just thought there was a lot of very deep water there, in which I couldn't get down as far as I would have liked to."

There was also some "very deep water" in the Rowland-Joseph Ball relationship, judging from Rowland's reported insistence that he never knew the Balls, either Joseph or his son Alan (who followed his father as Lonrho chairman), until circa 1961, when he came onto the board of Lonrho. Yet one person who knew the three of them in Rhodesia in the 1950s said, "What you are hinting at is that Rowland already knew Ball in the 1930s. This is very possible. Certainly he knew the Balls in the 1950s before it is generally said. I mean it was a very small world in Southern Rhodesia at the time. The white population was very small, so, of course, everyone in business knew each other. I was there at the time."

The team on which Ball and Elliott worked during World War II was shrouded in secrecy. Near the end of the war, former Oxford don J.C. Masterman was commissioned to write a report on the covert activities in which he, as a leading figure in Britain's intelligence agencies, had been engaged for the past four and a half years. The report was so sensitive that it was not released until 1972, at which point it became an international bestseller under the title, *The Double-Cross System*. Masterman described the functioning of the super-secret unit known as the XX Committee (although the XX stands for "Double Cross," it was known as the "Twenty Committee," so as not to give away the unit's purpose).

By means of the XX Committee, Masterman claimed, "We actively ran and controlled the German espionage system in this country." That is, every single German spy who landed in Britain was either shot or "turned" to work for British intelligence, sending back a massive amount of disinformation to their German controllers.

The Double-Cross Committee has become a legend of

the effectiveness of British intelligence. However, as John Costello wrote in his recent biography of Soviet spy Anthony Blunt, *Mask of Treachery*, “Unfortunately, only after the war was it realized—in both London and Washington—that some key German agents in the Double-Cross operation were really Soviet-run Triple-Cross agents.” A star XX agent was Soviet agent Lily Sergueiev, niece of Gen. Nikolai Skoblin, a kingpin of the infamous Soviet penetration and deception scheme, the “Trust.”

The triple cross problem was by no means confined to the *agents* of the XX Committee. Most of the leading figures in MI-5 and MI-6 who were charged with overseeing the operation, were either proven to have been Soviet agents, or are under very strong suspicion of it. These included Guy Liddell, the head of “B Division” of MI-5 which directed the “double” agents, and Liddell’s close friends Guy Burgess, Kim Philby, Anthony Blunt, and Lord Victor Rothschild, among others. Another key member of this group, a lifelong defender of Soviet spy Philby, and the man who was sent out to Beirut to “confront” Philby in 1963, but who in fact tipped him off and allowed him to flee to Moscow, was Nicholas Elliott. Elliott was a case officer of “Tricycle” (Dusko Popov), one of the most important agents of the XX. Elliott was also active in XX work in Hamburg near the end of the war. And, according to a British intelligence source with longtime personal knowledge of Tiny Rowland, Nicholas Elliott, under the codename “Rebecca,” was also the *control agent for Tiny Rowland*. Remarked the source on Rowland’s role, “We needed someone who looked the [Nazi] part.”

Rowland and Ball

Deeply involved with Elliott in the Double-Cross system was the future chairman of Lonrho, Joseph Ball. He came well prepared for such work, and for his dealings with Tiny Rowland; Conservative Party chief J.C.C. Davidson, who had recruited Ball in the late 1920s to set up the Conservative Party’s intelligence unit, noted that “he had as much experience as anyone I know of in the seamy side of life and the handling of crooks.”

In May 1940, Ball was appointed deputy head of the newly established Security Executive. According to British intelligence historian Nigel West, “This secret group’s role was to oversee MI-5 and give political guidance to those departments coping with the many difficulties involved in the wholesale internment of aliens.” Before the war, Ball had already had contact with at least one person who would be active in Double-Cross work—a Soviet agent who brought several other Soviet agents into British intelligence—the notorious homosexual Guy Burgess. Ball, also a homosexual, deployed Guy Burgess as his agent in “infiltrating” groups with suspected Nazi ties.

Winston Churchill founded the Security Executive with the specific brief to “find out whether there is a fifth column in this country and if so to eliminate it.” The Security Executive

oversaw the internees on the Isle of Man and elsewhere. It also worked very closely with the Double-Cross Committee, which had its agents in those camps, specifically in the Isle of Man camps where Rowland had been sent. This forms the background to Ball’s postwar recommendation of Rowland to head Lonrho.

Given how hyper-sensitive an issue the XX Committee still is today, Rowland’s recruitment by British intelligence, and his reported deployment with the XX Committee, would make his war record a highly guarded secret. Naturally Rowland would be extremely secretive not only about all aspects of his wartime career, but about a relationship to Joseph Ball predating 1961.

A New York-based journalist asked Rowland about his wartime ties to Elliott and Ball, in a telephone conversation on Sept. 26, which went as follows:

Q: Nicholas Elliott was your case officer during the war.

Rowland: Very interesting. Go on.

Q: When did you first know Joseph Ball?

Rowland: That’s none of your business. Why should I want to talk to you?

Q: When word gets out about you working for the XX Committee, that will be quite explosive.

Rowland: Explosive? Why? In what way? . . . You feel I was working for Intelligence?

Q: I think it is a near certainty.

Rowland: From when on, do you think?

Q: From 1939 probably.

Rowland: I was working for British Intelligence? Well, that’s interesting. What else have you got to say about my work in the Fifties and the Forties, with Nicholas Elliott and Joseph Ball? . . . What was I doing with Captain Ramsay?

A creature of the Establishment

Tiny Rowland’s image, particularly in Britain, is that of a swashbuckling rogue, who by dint of natural talent and utter lack of scruples, built Lonrho up into the power it is today, despite opposition from Britain’s Establishment. The reality is that that element of the British Establishment, typified by Lord Victor Rothschild, which patronized the XX Committee and related Soviet intelligence operations in Britain and America in the postwar period, also sponsored the career of Tiny Rowland, and intervened to protect Rowland when his criminality got him in trouble. One of the most important of Rowland’s Establishment backers was Duncan Sandys, later Lord Duncan-Sandys, chairman of Lonrho from 1972-84.

Sandys married one of Churchill’s daughters and had been part of Churchill’s private intelligence network before World War II, while working in the Foreign Office. After a series of influential wartime posts, Sandys became defense minister when Churchill returned to power in 1951, from which position he abolished national military service, halved defense spending, and dramatically weakened Britain’s de-

fense capabilities. In 1960 he became Secretary of State for Commonwealth Relations, and in 1962, Secretary of State for the Colonies.

From these latter two posts, as his 1987 obituary in the *Guardian* said, "he probably had more to do with dismantling the British Empire than any other Cabinet Minister, Labour or Conservative. He presided over a series of constitutional conferences at Marlborough House at which a succession of delegates from British colonies *were persuaded to sign independence constitutions drafted for them.*" (emphasis added) Yet this man, who oversaw the ostensible emancipation of African countries, *was the same who built up Lonrho as the new British East India Company to tyrannize that continent.*

Here are merely a few examples of the backing Sandys and the Establishment have afforded Rowland and Lonrho.

- Rowland's Africa career was launched by Rio Tinto Zinc, one of the pillars of British imperial mineral control. During World War II, RTZ financed Sir William ("Intrepid") Stephenson's intelligence operation in North America, the British Security Coordination. Rowland became an executive in a number of RTZ subsidiaries and was a highly paid consultant into the late 1960s, well after he took over Lonrho in 1961.

- Lonrho's first merchant bank was S.G. Warburg's, probably the most powerful in the City of London. When S.G. Warburg broke with Lonrho in 1971, Sir Sigmund Warburg told Rowland, "I have never felt happy about our association with Lonrho." Then why had he backed Lonrho in the first place? "Maybe Mr. Warburg was told to do so by the Bank of England," replied a City of London source. Rowland was recruited to run Lonrho by its chief stockholder, the City of London financier Harley Drayton, a money manager for the British Crown and the Church of England.

- In 1968, Lonrho acquired Ashanti Goldfields in Ghana, one of the world's richest gold mines, in the single most important takeover in Lonrho's history. Was it Rowland's brilliant business acumen at work? Not on your life. Ashanti's most powerful director was Duncan Sandys, who, together with fellow director Harley Drayton, forced Ashanti chairman Sir Edward Spears to turn over Ashanti to Rowland, over Spears's fierce objections. Ashanti's pre-tax profit at the time was £2.2 million, that of the Lonrho group as a whole only £3.6 million.

- In September 1971, Lonrho Finance Director Fred Butcher was arrested by the Fraud Squad in South Africa, and charged with fraud against minority shareholders in Lonrho subsidiaries. The arrest precipitated a major, and almost fatal, crisis for Lonrho. It was only settled when Duncan Sandys, by then a highly paid Lonrho consultant, visited South Africa and delivered the word that Lonrho was not to be touched. According to a police spokesman, "Charges were dropped in January 1973 on the orders of the Attorney General. This was not for lack of evidence—other factors were at

play."

- In 1972, Duncan Sandys became Lonrho chairman, but only after consulting with Bank of England Governor Sir Leslie O'Brien. Fred Butcher testified on the need for someone of Sandys's stature to step in, "The company was bleeding to death," and "Without the chairman [Sandys] . . . that grinding process of destruction would have gone on." Sandys himself stated, "There was a certain feeling of moral obligation to them. Before accepting, I did consult people of the very highest level in the City—the Governor of the Bank of England, the Chairman of Barclays and the Chairman of National and Grindlays. They all positively encouraged me to take the job. That was the reason why I took it on."

- In 1973, Rowland was almost kicked out of Lonrho by an insurgency in the board of directors by those who were incensed at his high-handed, and usually shady, management. Though Rowland rallied the small stockholders to out-vote the board, the real key to his success was his backing throughout the crisis by Duncan Sandys and the Drayton group. The Establishment's stamp of approval was delivered when Sir George Bolton, a 20-year director of the Bank of England, became Lonrho chairman.

- In 1976, the Department of Trade and Industry issued its 1,000-page report on Lonrho, a scathing indictment of criminality going all the way back to 1961. Despite the documentation, no prosecutions were undertaken, nor was Rowland touched when his associates (and, some charge, himself) looted \$100 million from the Israel British Bank in the early 1970s.

- The Establishment has also accepted Lonrho's wildly improbable financial figures and annual reports. An audit by an independent firm of accountants showed that Lonrho overstated its profits over a number of years. For 1986, for example, if Lonrho had followed standard accounting practices, its accumulated profit and loss account balance would have shown a deficit of at least £100 million, rather than a credit balance of £40.3 million as claimed in the balance sheet.

The protection of Rowland and Lonrho continues to the present. In the spring of 1989, Rowland, Lonrho and several of Lonrho's officers were brought before the House of Lords Legislative Committee (the "Law Lords") on charges of contempt of the Law Lords for having sent them copies of a leaked report on the House of Fraser takeover of Harrods' department store, in a blatant attempt to influence the Lords' debate. The contempt charges were so serious that even Rowland's lawyers had lawyers. An anxious Rowland showed up for hearings even when he did not have to. Yet on June 12, the Law Lords, led by Lord Bridge of Harwich, decided that "no contempt had been made out" against Rowland. Lord Bridge of Harwich has been chairman of the Permanent Security Commission, which oversees the intelligence services, since 1982.

Next: Lonrho loots Africa.