

# A FRIEND INDEED

## The secret service of Lolle Smit

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No historian needs to be told that truth can lie hidden in the archives for a very long time, not least in the case of that curious branch of human affairs, the activities of secret services. Indeed some facts, we may sorrowfully reflect, are destined never to emerge at all and disappear without a trace.<sup>1</sup> But on occasion, through a combination of luck and patient investigation<sup>2</sup>, new light can be thrown on old events and a veil can finally be removed to expose what was once hidden.

So where did the story begin? I had come across Lolle Smit in the process of studying Raoul Wallenberg's humanitarian mission to Hungary and the reasons for his apprehension and detention by the Russian authorities. As part of this project, I had reason to investigate in some detail the Swede's contacts both in Stockholm, prior to his departure and later in Hungary itself.

In July 1944, Raoul Wallenberg had arrived in Budapest. Among his new personal acquaintances was a lively young Dutch girl called Berber (Barbara) Smit. Somewhat typically, she scarcely figures in the vast literature on Wallenberg, although her name occurs in several places in Wallenberg's pocket diary, confiscated by the Soviet authorities and later returned to the family at a meeting in Moscow in the autumn of 1989.<sup>3</sup>

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<sup>1</sup> Although the soon forthcoming Official History of SIS by Professor Jeffery will undoubtedly provide a wealth of new insights into the organisation and operations of the Service, it is unlikely that it will deviate markedly from accepted practice as regards the naming of individual agents and their association with particular operations. In other words, there will be no official acknowledgement of their role, save in the case of a few carefully considered exceptions.

<sup>2</sup> I am particularly grateful to Mrs. Barbara Everingham, Berber Smit's daughter and Lolle Smit's granddaughter, who has generously given me important information about her family. She has also provided the photographs of her mother and grandfather for this article. She retains the copyright of this material.

<sup>3</sup> See the present author's note on Berber Smit which can be found online at the site <http://www.raoul-wallenberg.eu/home/> under the entry for researchers/ McKay. The "cherchez la femme" school of history has tended to focus its interest on the role of Baroness Elisabeth Kemény.



Entry from Raoul Wallenberg's diary

Wallenberg's association with Berber Smit was one of those romantic relationships that sprang up between young people, thrown together in wartime. Like many such relationships, it was transitory. Berber was also friendly with Wallenberg's colleague Lars Berg and even became temporarily engaged to him. Later she would marry a young Scottish officer attached to the Allied Control Commission in Romania. But she retained the highest regard for Wallenberg whom she had personally assisted in his work for the Jews.<sup>4</sup> It is possible that she also played a role in activities of MI9, Britain's secret escape organisation.<sup>5</sup>



Raoul Wallenberg's girlfriend, Berber Smit

<sup>4</sup> Information from Mrs. Barbara Everingham.

<sup>5</sup> In a postwar account dated 23 May 1947, to be found in FO369/3834, William Mills explained how Reginald Barratt had left him with instructions about escaping from Stalag 8B. In Hungary, Barratt advised, he should seek to contact a "Miss Peters" at the Swedish Legation in Budapest. "Miss Peters" was evidently a cover name since no such person is officially recorded on the staff of the Legation. Given that Lolle Smit worked clandestinely under the codename Peters, one naturally wonders if Berber had been co-opted into handling initial contacts with Allied escapers. This was traditionally part of the work of MI9. The equation Miss Peters=Berber, however, remains speculation rather than established fact. Indeed, "Miss Peters", despite the "Miss", might be Lolle or indeed someone hitherto unidentified. According to Romanian Security, Berber was temporarily employed "as a functionary" at the the British Legation in Bucharest in 1945, though it would be unwise to read too much into such a position.

My interest in Berber, however, soon gave way to a more intense curiosity about her father, Lolle Smit. In 1938, after spending twelve years working for General Motors in Berlin <sup>6</sup>, Lolle had arrived in Bucharest from Vienna to take up a challenging new post. He had been appointed managing director of Philips Romania in Bucharest, a subsidiary of the well-known Dutch corporation, Philips of Eindhoven, in succession to H. Bruckenstein and soon became a well-known member of the local business community with influential government contacts. In September 1941, it was time for a new promotion as head of the Philips central office in Budapest and as such, in overall charge of the company's operations in Hungary, Croatia, Serbia, Romania, Bulgaria, Turkey and Greece. Apart from his family home in Budapest where he lived with his wife and three children, he retained a residence in Bucharest.

This professional side of things, however, provided only part of the picture. The archives of SOE, the British Special Operations Executive, now at Kew, tells a very different tale. The account that emerges from the SOE archives is essentially this: Lolle Smit [codename PETERS] had maintained close contacts with the Polish Secret Service, then perhaps the most adept and active Allied Humint service working in the Balkans and had co-operated with them in their work.<sup>7</sup> [*En passant*, it was noted that Smit had his own line of communication to the British diplomatic mission in Turkey]. At the same time, he gave important assistance to Allied military personnel who escaped from German POW camps and sought refuge in Hungary. Until the German occupation in March 1944, Hungary, although in the Axis camp, had retained a measure of independence and thus provided a convenient temporary safehaven for those on the run from the German authorities. Among those he assisted were Colonel Howie, a South African officer who was later engaged in secret negotiations with Admiral Horthy, and several Dutch officers who had escaped from the camp at the Stanislasviv in the Ukraine. Many of these Dutch officers were later involved in underground work in Hungary, producing forged papers for other escapers and persecuted Jews. One of them, Lieutenant Gerrit van der Waals, like Wallenberg, later fell foul of the Soviet Security organs when the Red Army entered the Hungarian capital and ended by being taken to Moscow where he died in August 1948 in the hospital of Butirskaya prison as the result of prolonged maltreatment in Russian custody.<sup>8</sup>

In August 1944, Colonel Howie had flown with General István Naday to Italy, the latter as Horthy's chosen emissary on what proved to be a vain mission to solicit Western intervention in Hungary, thus preempting an exclusively Soviet military occupation. One of Colonel Howie's most trusted helpers in Budapest, a Polish lady

<sup>6</sup> CNSAS, Arhiva Operativa, Dos.Nr. 93629, Arkiva Operativa, Fond operativ, Smit,Lolle. This Securitate file also contains information from the old wartime Siguranța Statului.

Berber Smit retained vivid memories of participating in a gymnastics display put on by her school at the 1936 Summer Olympics and recalled how some girls in the team fainted at the sight of Hitler.

<sup>7</sup> For Smit's role in assisting Howie, see the report on Howie dated 30 September 1944 to be found in HS9/753/2 at TNA,Kew. Smit's role is also set out clearly in Claerwen Howie's carefully researched book *Agent by Accident* (Muizenberg: Lindlife, 1997) which provides an authoritative account of Charles Telfer Howie's experiences in Budapest.

<sup>8</sup> For the story of van der Waals, see the article of Major-General Charles Storm van s'Gravesande in the Russian journal, *Military Diplomat* Sept-Oct 2004. I am grateful to Sierk Plantinga for providing me with this article. It should be added that van der Waals was closely linked with both Howie and Lolle Smit.

called Tarnapolska (later Mrs. Meeson), remained in Budapest and when the city fell to the Red Army, she was arrested by the Russians and grilled about Howie. In the course of their investigation, a sensitive letter deposited by Howie fell into Russian hands.<sup>9</sup> In it, Howie had explicitly noted that he "had made a contact with the British Attaché in Ankara through Smidt [sic]". On later learning of this breach of security in May 1945, the British Control Commission in Budapest immediately cabled the War Office in London and simultaneously "recommended that ISLD [Inter-Services Liaison Department] should be informed of the mention of Mr. Smit in Col. Howie's letter". Lolle Smit, then in Bucharest, had already been personally alerted by a signal sent to the British Control Commission in the Romanian capital.

The involvement of ISLD in the matter -along with other small pointers along the way- suggested to me that there was a hidden connection between Lolle Smit and the Secret Intelligence Service (SIS) since it was known that ISLD functioned as an administrative cover for that organisation. But for a time, no further step towards enlightenment was possible in the open archives. A major break occurred first when I turned my attention to the archives in the Netherlands.

After the war, Lolle Smit had received two honours in recognition of his wartime work: a British OBE and a Dutch *Ridder i de Orde van Oranje Nassau*. The real reason for the awards remained secret. It turned out, however, that before the British government awarded the OBE, they politely (and sensibly) asked the Dutch Government whether they had any objection to the award. At the same time, they made available to their opposite numbers in the Netherlands a citation summarizing the reasons for the award. The accompanying letter from the British Embassy at the Hague explicitly noted that the contents of the citation are "not for publication in any form". Fortunately for historians, the citation eventually ended up in an open archive and after 65 years of silence, it deserves to be known.<sup>10</sup> It begins as follows:

Mr. Lolle Smit is a Dutch subject and an influential industrialist with widespread connections on the continent. His activities included, inter alia, the Managing Directorship of the Philips Lamp Factories in both Budapest and Buchaest- a situation which placed him in an admirable position for working against the common enemy. This he exploited fearlessly and to the full rendering very valuable service to the Allied Cause.

It has only recently been possible to assess the full extent and true value of his services, notably those rendered in the difficult years of 1940 and 1941. It can now be stated that information supplied by him on new German weapons was extremely useful and undoubtedly contributed to the efficiency of our counter measures and to the lessening of human and material loss. Mr. Smit's personal reconnaissances- often undertaken in dangerous conditions- were appreciable factors in the estimation of enemy intentions and in assessing of his strength.

<sup>9</sup> Top Secret, British Military Mission, Hungary to War Office, BMH/812/Ib, dated 11 May 1945 in HS9/753/2, TNA, Kew. The letter was winkled out of Mrs. Meeson by a deception in the form of a person posing as an Englishman. Who this person was, is an interesting unresolved problem. But see footnote 26.

<sup>10</sup> For my research in the Netherlands, I am most grateful to Sierk Plantinga at the Nationalarchief in The Hague who devoted considerable work to tracking down files in which I was interested, including those dealing with Smit. The Smit files are to be found in archief *Kabinet der Koningin* 1945-1975 (2.02.20), inv nr 9635, Koninklijk Besluit 20-2-1948 nr 37; archief *Ministerie van Buitenlandse Zaken* 1945-1954 (2.05.117), inv nr 2049, dossier L.Smit; and archief *Ministerie van Buitenlandse Zaken* 1945-1954 (2.05.117) inv nr 2201, dossier L.Smit.

This document makes it clear that Lolle Smit's significance as an Allied agent went far beyond that described in the the SOE documents. As an SIS source, Smit's engagement in the provision of secret information had long predated the links with Howie in 1944. It is also noteworthy that the information supplied by Smit which is singled out for special commendation, specifically concerned a very concrete matter- namely German weaponry.

The crucial document above raises an obvious question (Q): can any further documents be located which would tell us more about the reports delivered by Smit, the identity or identities of their original source and the way in which the underlying system of sources, cut-outs, couriers etc had been organised ?

In trying to solve this question, the present author would frankly acknowledge that there are still important gaps in our knowledge, even in such basic matters as his SIS staff contact.<sup>11</sup> What is not in doubt, however, is that having spent twelve years in a senior commercial position with General Motors in Berlin, Smit had probably acquired a number of highly useful and well-placed contacts.

In quite a different sphere, there is also the question of Lolle Smit's involvement in rescue operations for Jews. One aspect of this were his contacts with the Romanian Government and Jewish Agency representatives in Istanbul in 1942 in connection with a proposal relating to the Jews of Transnistria whereby seventy thousand would be released in return for the payment of ransom money.<sup>12</sup> In terms of current knowledge, Smit's part in this business was simply as a message-bearer from Radu Lecca, the Romanian Secretary of State for Jewish Affairs to the Jewish Agency people in Istanbul. That Smit was close to Lecca is noted in his Romanian Security Dossier but the interpretation of this relationship may be far from simple.

But back to question Q and the world of espionage. As my historical detective- work continued, I found myself examining yet another facet of Smit's activities, namely his contacts with U.S. intelligence. But before saying something about this, let me linger a little longer in the British archives

At Kew, there is a cypher telegram from the British Military Mission in Budapest to the War Office, London dated 30 August 1945. Its purpose was apparently to reverse a decision conveyed in an earlier message from ISLD Istanbul. The paragraphs 2 and 3 of this telegram reads as follows:

PARA 2. PETERS STATES SCHMIDTS DID GOOD WORK FOR ALLIED CAUSE DURING WAR.MRS SCHMIDTS MADE THREE TRIPS TO BERLIN AND CONTACTED RUNGSWERTH GERMAN AIR FORCE WHO WORKED IN GOERINGS PRIVATE OFFICE. SHE BROUGHT BACK VALUABLE INFORMATION WHICH WAS PASSED ON UNDER THE COVER STREXL. MR SCHMIDTS RENDEREDSIMILAR SERVICES AND BOTH RISKED THEIR LIVES SEVERAL TIMES.

<sup>11</sup> Candidates for this role are the Gibson brothers, with Harold as SIS representative in Turkey and Archie working as Times correspondent in Bucharest at the beginning of the war and later based in Turkey. Smit's Romanian security file makes us no wiser . At one point, it mentions the unlikely named "Duff Cooper", Manager of the Ford Factory in Istanbul. Perhaps this was a cut-out.

<sup>12</sup> See the detailed discussion in Tuvia Friling's book *Arrows in the Dark*, Vol 2 (University of Wisconsin Press: Madison, 2005). Note in particular p. 200 on Lolle Smit's role as courier.

PARA 3 PETERS KNEW THIS COUPLE IN NEW YORK AND STATES THEY WERE ALWAYS ANTI-NAZI.<sup>13</sup>

For various reasons, I am satisfied that the PETERS mentioned above can be identified with our PETERS, that is to say with Lolle Smit. If we accept this, the central assertion in the above passage is that Smit knew a couple, unfortunately and confusingly also called Schmidt or Schmidts, who were linked to a source in Goering's private office. Exactly what is meant by Goering's private office in this context is also not entirely clear, but nonetheless its implication is surely that the source was highly placed and privy to information being given to the head of the Luftwaffe. The name of the source, RUNGSWERTH, rings no bells and may be a cover name. This may also be true of the name SCHMIDT /SCHMIDTS.

Despite the gaps in its proper interpretation, this telegram from BMM, Budapest presents in part an answer to our question Q. It proposes (1) that the source was a highly-placed agent in Berlin near to Goering (2) the contact was maintained on at least three occasions through itinerant agents not resident in Berlin and (3) that all these highly secret arrangements were known to Lolle Smit.

This Goering link is particularly interesting in the light of an incident which had taken place in Bucharest in 1941. In the night of 8/9 July 1941, a house search had been carried out at Lolle Smit's residence at Stradă Paris 65 by Romanian and German security. However, nothing incriminating was found. Perhaps, more telling, however, is the fact that an apology was later issued for carrying out the raid, since it emerged that Smit had a recommendation from Marshal Goering.<sup>14</sup>

It is unlikely that the contact with someone near to Goering was Smit's only major source. According to an unconfirmed assertion,<sup>15</sup> he was also said to be in receipt of information coming from the office of Dr. Clodius, the German Foreign Office trade expert, who often visited the Balkans. Certain other German names have been mentioned as contacts but it would be improper to mention them here without access to more definite evidence.

At this point, I want to switch perspective and look at the matter from the American side of things.

The Office of Naval Intelligence (ONI) included a Foreign Intelligence branch designated OP-16 -F which dealt with reports from Naval Attachés, other government departments such as State, War and Commerce, commercial firms and individuals. In January 1941, OP-16-F was augmented with a new section under Wallace Banta Phillips which was specifically charged with the acquisition of secret intelligence through the recruitment and hiring of agents. As such, he acted as a representative of the Director of Naval Intelligence and simultaneously had affiliations with the head of the U.S. Army Military Intelligence Division's New York office and the District Intelligence Office, 3rd Naval District (DIO-3ND). Phillips

<sup>13</sup> HS4/129. TNA,KEW. Note that the last sentence in the quoted document contains an unfortunate ambiguity.

<sup>14</sup> CNSAS, Arhiva Operativa, Dos.Nr. 93629, Arkiva Operativa, Fond operativ, Smit,Lolle. See Referat, dated 19 October 1945

<sup>15</sup> From a private source.

had served in intelligence during the first world war and acquired subsequently after the war a string of well placed international informants during his career as an American business executive in London and one with more than a nodding acquaintance with British intelligence.<sup>16</sup> Significantly the private intelligence network Phillips had set up with the help of Sir William Wiseman and Colonel N.G.Thwaites, played a role somewhat akin to William Stephenson's intelligence gathering activities in funnelling information to Desmond Morton, that *éminence grise* of the British secret services.<sup>17</sup> Phillips' career as a secret intelligence supremo in Washington was not to last long.<sup>18</sup> In October 1941, it was decided by the military services that the gathering of secret intelligence, previously undertaken by Phillips' section at OP-16 -F, should be carried out in the future by the newly established Office of Strategic Services (OSS) under William Donovan. When the transfer took place, Phillips turned over to Donovan his existing intelligence assets. One of these is particularly relevant to our present concerns. According to Phillips, "through a long chain of negotiations and circumstances Lieutenant Commander Melvin Hall, our Assistant Naval Attaché in Turkey, has been able to establish a very interesting contact with an important Group having headquarters in Romania; from there operating through Switzerland into Germany." It was further explained that the group had "direct connections with a number of important German Officers and has been instrumental *in furnishing the best direct military information that I [Phillips] have seen as coming from any source.*" [present author's italics].<sup>19</sup>

Before examining this further, let me interpolate a few words about Melvin Hall. Like Phillips, he had a strong British connection. During the First World War, he had offered his services to the British Expeditionary Force in France before the United States had entered the war. In 1917, he transferred to the U.S. Army and with Colonel "Billy" Mitchell helped to form the U.S. Air Corps. He was wounded twice and received a string of decorations, including a Distinguished Service Order (DSO) from Britain. His native country honoured him by an Act of Congress which conferred on him the rank of Military Aviator. After the end of hostilities, Hall spent three years in London as Assistant Military Attaché. This was followed by several years with the American Financial Mission in Persia as an administrator. Thereafter a stint as a Vice-President of Curtiss-Wright Aeroplane Export Co doing business with a number of European countries including the Netherlands and Turkey. In the years 1933-1940, prior to his appointment as U.S. Naval Attaché in Turkey, he worked for the Export-Import Bank, Washington, acted in various capacities as a foreign trade

<sup>16</sup> A highly negative view of Phillips is to be found in a review of *The Life of Vera Atkins* by Thomas F.Troy in the CIA "Studies in Intelligence" series, Vol 51, Nr. 2. where he describes Phillips as an American businessman "of no account then or now". No indication is given of what this judgement is based upon. Troy notes Phillips' attendance at a party thrown by William Stephenson [so-called *Intrepid*]

<sup>17</sup> See Gill Bennett, *Man of Mystery Desmond Morton and the World of Intelligence* (London:Routledge, 2007) p. 77.

<sup>18</sup> One of those who appears to have plotted against Phillips was the private intelligence group known as "The Room". See the article by Jeffery M. Dorwart, *The Roosevelt-Astor Espionage Ring*, *New York History Quarterly Journal of New York State Historical Association*, Volume LXII, Number 3, July 1981 and available on the web at <http://cryptome.info/0001/fdr-astor/fdr-astor.htm>.

<sup>19</sup> Cave Brown, *Wild Bill Donovan, The Last Hero* (London: Michael Joseph, 1982). See pp.176-177. Note the specific mention of Lieutenant-Commander Hall as Phillips' man in Istanbul.

adviser , and served as Chief of the Foreign Economic Section of the Civil Aeronautics Authority. What emerges is the picture of an energetic man of impressively wide international and commercial experience who was not unversed in the ways of the world. In short, just the sort of person to be entrusted with the recruitment of confidential agents. He was also a man greatly interested in motoring and automobiles, perhaps not an irrelevant fact given Lolle Smit's years with GM.

As we have seen, according to Phillips, who was in a position to know, Hall was obtaining information from an excellent source associated with Romania and in touch with high German officers via Switzerland. But apart from the fact that Lolle Smit had originally been based in Bucharest and maintained an address there in connection with his firm's business interests, there is still nothing of substance linking Smit to the Americans . In short, we are still in the uncertain and murky world of espionage speculation.

It is therefore time to play an ace.

The papers of Melvin Hall now reside in the Mudd Manuscript Library at Princeton. In that collection, I found two highly pertinent documents.<sup>20</sup> First , the copy of a letter dated October 24, 1941 to Lt. Commander Hall, Naval Attache, U.S. Embassy, Istanbul and signed Wallace B. Phillips . It was sent on official stationery showing its provenance, namely Navy Department, Office of the Chief of Naval Operations and furnished with the additional side designation Op-16-F-9, i.e. Phillips own special section. The second document is a redacted excerpt of the first document and I shall begin with it. It reads as follows:

Dear Hall:

.....  
 You have done a fine job with regard to our friend P-- and I compliment you on it. In a general way, the information sent over checks very well with numerous other bits received from time to time through various sources, *but I have not seen a single series of despatches, other than yours, which conveyed as much real matter.* [present author's italics]

The Navy Department, as you know, does not compliment its Foreign Officers when they do a good job. It is taken as a matter of course and in the ordinary line of duty. Therefore, I am writing you personally, and not officially, to tell you that I think you did a damn good job and that seemed to be the impression of quite a lot of other people, including the gentleman who lives at 1600 Pennsylvania Avenue to whom I personally mentioned your name

.....  
 The italicized text in the above document should be compared with the formulation (also italicized) in Wally Phillips' declaration to Donovan in handing over his OP-16 outfit at ONI.

So what does the unredacted version contain that is not contained in the extract? Certainly a great deal of familiar gossip between men who were clearly on friendly terms. But the most important difference from our present viewpoint is the fact that

<sup>20</sup> With the indispensable help of the archivist Mr. John DeLooper at the Mudd Manuscript Library,



whereas the extract allows "our friend P----" to remain in discreet anonymity, in the unredacted version, one veil has been pulled aside: "our friend P---" becomes "our friend Peters". So now we are almost there. Melvin Hall's key source was "Peters" and as I had discovered long before in the SOE papers, Lolle Smit had worked under the cover name "Peters".<sup>21</sup> But a teasing doubt remains. What if- as easily can happen- the Americans used the cover name "Peters" for someone completely different? Fortunately I was able to dispel this irritating doubt with the help of two further documents which I received from a kindly fellow chronicler of the spies.<sup>22</sup>

With the exit of Romania from the war in August 1944, an American Control Commission delegation was relatively soon in place in Bucharest, as well as a team of OSS officers. In December one of their number had been approached by a man named Smit, said to be working for ISLD, who had informed him that certain funds - in fact five thousand dollars - made available to him by Commander Hall, were still lying in a blocked account in a Zurich bank. There was therefore, Smit suggested, a chance of reclaiming the money. Smit's information led to a routine enquiry from a somewhat suspicious OSS officer, who was not *au fait* with the details of the case, to his office back home. In order to fill in the background, contact was naturally made with Melvin Hall, then recuperating at the Convalescent Hospital, Mitchell Field, New York. Hall was immediately able to dispel any doubts that might have been raised about Smit's propriety. The notion that the Dutchman had been originally interested in using this money for personal gain (said Hall) was extremely implausible since "it would have been small change to him [Smit] in his capacity as an important officer of the Philips company". On the contrary, it was confirmed that "Hall's opinion of Smit, *who was always called Peters in all correspondence* [present author's italics], is very high and he evaluates the information that Smit supplied as being of the very greatest value."

So there you have it: the information from "Peters" which was the object of Wally Phillips' fulsome praise in his congratulatory letter of October 24, 1941 to Melvin Hall and which had, according to Phillips, even reached the ear of Roosevelt and earned the President's thanks, had indeed come from Lolle Smit.

Furthermore Melvin Hall, in answering the OSS questions about Smit and the money, confirms Lolle's role as a spymaster, explaining that the American money sanctioned by Wally Phillips and placed in a Swiss bank, had originally been intended as a preliminary payment for financing Smit's "chain of agents in Germany". Exactly why the money was never used, remains unexplained but this seems to me less important than the money's intended use i.e serving a chain of agents in Germany itself. If we run the British and American accounts side by side, it is possible to conclude that irrespective of the financial details, the chain of informants had functioned and functioned well.

<sup>21</sup> The *British* identification of Smit as PETERS is given explicitly on page 13 of the document entitled Balkan pseudonyms and symbols, list of personnel (Czechoslovakia and Hungary) in HS8/990 at TNA, Kew.

<sup>22</sup> The documents in question are (i) Rushin to Houghton, December 22 1944 Entry 210, Box 345, Folder 2 and (ii) Rushin to Houghton, January 8 1945, Entry 210, Box 345, Folder 1, both in RG 226, NARA, Washington DC. My thanks to Professor Keith Jeffery, Belfast for providing me with these.

It is clear that in order to stay in place in the Balkans, Lolle Smit was walking a tightrope. He himself speaks of his position *vis à vis* the *Vervaltung* at the Budapest factory as having been often weak during the war.<sup>23</sup> Yet as a skilled businessman and manager, there were no doubt other pragmatic economic arguments which could be sold to the Germans why Smit should be kept in place. Moreover, as his Romanian security dossier reveals, he enjoyed a good reputation within the German community in Bucharest. Provided he did not openly blot his copybook, there was no immediate legal excuse for dismissing him. A further complicating factor was that Lolle Smit, as a Dutch citizen, was under the formal protection of the Swedish Legation in Budapest, Sweden acting as protective power for Dutch interests in Hungary.<sup>24</sup> Nevertheless, the German security authorities certainly kept Lolle Smit under intensive surveillance and on at least one occasion an attempt was made to poison him in Turkey.<sup>25</sup> Both British and American documents agree that Lolle Smit had performed real service *at risk to his life*.

It remains to say a little about the sequel to the story of Lolle Smit's secret service to the Allies and to arrive at some general conclusions.

In life, tragedy is always just round the corner and it was to strike the Smit family too. Berber Smit, was in Budapest when the Red Army arrived and she suffered the fate of many women living in the Hungarian capital.<sup>26</sup> The Russian troops behaved appallingly. Although Berber later married a young Scottish officer who was serving with the Allied Control Commission in Romania, the Budapest experience must have left her with a terrible psychological scar. Nor was this the only tragedy to afflict the Smit family. Berber's older sister died tragically in Romania in 1945 while still in her early twenties. The victory year 1945 must have been a sad one for Lolle Smit and his wife at a personal level. It was a truly grim irony. Despite that, he continued to offer help where he could. He also retained contacts with the Swedish Legation in Bucharest and often talked with Knut Anjou. There is every reason to wonder what Smit had to say about Wallenberg's disappearance. For that he was interested in the fate of the young Swede, we can be quite sure. What we do know, is that he was one of the first to draw attention to the possible role of Kutuzov-Tolstoy as a probable agent of Soviet Intelligence.<sup>27</sup>

Lolle Smit had been among the first foreigners to enter Budapest after the siege and was quick to organize relief for members of the Dutch community and others, intervening with the Russian authorities where required. Initially, the latter seem to have responded positively to him and even went as far as to place orders for equipment with Philips. But all this would eventually change. In 1946, Lolle Smit

<sup>23</sup> Report from L.Smit to P.F.S.Otten and O.M.E.Loupart, Philips House, London. [undated but marked 3 July 1945], Philips Company Archive, Eindhoven.

<sup>24</sup> Carl Ivar Danielsson, the Swedish Minister in Budapest, issued a certificate on 24 March 1944 specifically placing the Smit residence at Ady Endra Utca 11 where Lolle resided with his wife and three children under Swedish protection.

<sup>25</sup> Information from Barbara Everingham. It is unclear, however, who was behind this attempt.

<sup>26</sup> Krisztián Ungváry, *Battle for Budapest* (London-New York: I.B.Tauris, 2005) See in particular pp. 285-291. For the ordeal of the Smit Family, see the testimony of Lieutenant C. Hartevelde, archief Ministerie van Justitie Londen 1940-1945 (2.09.06), 9873 file C.Hartevelde.

<sup>27</sup> See SOU:2003:18 Ett diplomatiskt mislyckande.p 329. But why had Smit come to this conclusion? Had it any connection with the incident involving Tarnapolska? Was Tolstoy the English-speaking visitor who called on her?

found himself in Britain to attend the marriage of his daughter Berber and Major Thomas Hogg<sup>28</sup> of the Gordon Highlanders in Aberdeen.

The archives at Kew disclose that some effort was made by the British authorities to allow Smit to continue as a Philips representative in Romania immediately after the war and his name cropped up at several meetings of the Allied Control Commission in Bucharest.<sup>29</sup> At the ACC meeting of 4 June 1946, Brigadier Greer, Head of the British Delegation, had raised the matter of Smit's entry permit, pointing out that the Dutchman had left the country and now wished to return, but this was opposed by the Romanian Ministry for Foreign Affairs. Since Britain represented the Netherlands on the ACC, they had been asked by the Dutch to enquire about this matter. Greer pointed out that the factory of Philips Radio in Romania was 'engaged almost entirely in fulfilling Soviet orders', adding later for good measure that 'Mr. Smit was needed for work which was of benefit to the Red Army'. Might not, therefore the Russians take up the matter with the Romanians? Greer's Russian colleague on the Commission, Colonel Molohovski was not enthusiastic. It was, the Colonel claimed, difficult for ACC to intervene. But he promised to look into the matter, adding somewhat melodramatically that there was always the possibility that the Romanians had very good reasons for refusal with which even the Brigadier would be in agreement. Greer refused to be drawn: all he wanted to know were the reasons. Once the reasons had been established, the matter could be discussed. By the end of October, there had been little progress. Although Molohovski chose to hide behind the figleaf that Romania was an independent state and as such, in a position to decide for itself who should be allowed in the country, there was little doubt in anyone's mind about who was pulling the strings. The Soviet security services, by this time, must have compiled a thick dossier about Smit's wartime connection with the Western secret services.<sup>30</sup> So instead of being back in the Balkans, Lolle Smit found himself returning to company headquarters at Eindhoven. He was employed there in a senior capacity before leaving to participate in a government sponsored Dutch export campaign. He died in the Hague in 1961 at the age of 69.

Let me try now to sum up my findings.

First of all, one will look in vain for a mention of Lolle Smit's name in any book about espionage during the Second World War. This fact notwithstanding, it emerges that he was a highly valued member of Allied Humint on the continent of Europe, at the early stage of the war, furnishing information from well placed sources within Germany itself.<sup>31</sup> Apart from his work for SIS, he supplied information to US Naval Intelligence and to the Dutch diplomatic representative in Turkey, Philips Christian

<sup>28</sup> Thomas Hogg had served in North Africa before being assigned to the Allied Control Commission in Bucharest.

<sup>29</sup> See the record of meetings in WO32/12191 at TNA, Kew

<sup>30</sup> Smit's Romanian Security Dos.Nr. 93629 leaves no doubt that he was fairly early identified as an agent of the "Intelligence Service". The NKVD dossier was undoubtedly much thicker.

<sup>31</sup> That Smit continued to be regarded as an important Allied source in the Balkans, is supported by Barbara Everingham's recollection that her grandfather and mother met Averell Harriman during the latter's visit to Bucharest.

Visser with whom he maintained contact via the British Secret Service.

Secondly, he had undertaken personal reconnaissances, often in dangerous conditions. The results of these reconnaissances were, in the words of the British citation, " appreciable factors in the estimation of enemy intentions and in the assessing of his strength."

Thirdly, he had done all in his power to support Allied escapees and others sympathetic to the Allied cause in Hungary itself, several of whom probably owed their lives to him.

Fourthly, he was in contact with Jewish Agency representatives in Istanbul and was involved, in some way which requires further investigation, in a proposal to save the Jews of Transnistria and no doubt in other rescue attempts as well.

Fourthly, after the Russians had entered first Romania and then Hungary, Smit made several attempts, sometimes but not always with success, to intercede on behalf of Allied officers who had been summarily arrested by the Soviet Security Services.

Last and not least, he had a remarkable effect on the morale of those who served with him. As the British citation puts it:

Mr. Smit has worked throughout with utter disregard for personal safety and, needless to say, without hope of material reward. His sustained courage and dogged refusal to give way to despair, even in the darkest moments, were a spur and an inspiration to all in contact with him.

All in all, it is a remarkable picture of secret service during the Second World War which has remained unknown to the wider public for almost seventy years. Lolle Smit was not a professional intelligence agent. The position he held in Philips in the Balkans was not a cover, merely a conventional career position. Like many people during the Second World War, he was a man who had quietly taken a stand and followed it up with practical action.<sup>32</sup> His geographical position, his mobility, his contacts, his abilities to sum up men and situations and his nerve under stress allowed him to use those opportunities which arose to make important contributions to Allied clandestine warfare or to alleviate human suffering.<sup>33</sup>

<sup>32</sup> In this respect, he was not unlike Raoul Wallenberg. However whereas Lolle Smit really did collect secret intelligence and was based in Budapest, there is no proof at all that the Swede was in any way involved in serious intelligence work of a qualified character, nor more specifically any proof that he was involved in Smit's network. See Appendix 2.

<sup>33</sup> The emphasis in this essay has been on the role of Lolle Smit as an agent of secret intelligence. In an internal company submission, after the war, he speaks, however, of doing what he could to save the lives of Jews, not only employees of Philips who had been dismissed but also other people whom he arranged to escape abroad with the help of "English friends". L.Smit to P.F.S.Otten and O.M.E.Loupart, Philips House, London. [undated but marked 3 July 1945], Philips Company Archive, Eindhoven. Smit's contributions in this sphere have hitherto passed unnoticed with the exception of his involvement in the Transnistria proposal.



Lolle Smit

Today, it is a commonplace to remark that members of the Secret Intelligence Service were often referred to as "the Friends", by their more orthodox diplomatic colleagues . For SIS, Lolle Smit must have appeared as a true friend, a friend in need in the dark years of 1940-1, when the smart money was betting heavily the other way.

© C.G.McKay, 11 August 2010

Appendix 1: a possible PETERS report from F.D. Roosevelt's Safe Files, Box 4  
Franklin D. Roosevelt Presidential Library, New York.

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In reply refer to No.

NAVY DEPARTMENT  
OFFICE OF NAVAL INTELLIGENCE  
WASHINGTON

September 26, 1941

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ART. 0445, CINA VINST  
5510.1C BY CP 6969  
DATE 11/21/71  
Date- 11/21/71  
Signature- RHP

MEMORANDUM FOR THE NAVAL AIDE TO THE PRESIDENT

The following memorandum is based on information received from the American Naval Attache in Istanbul. The source is an informant believed by the Naval Attache to be reliable.

The Office of Naval Intelligence gives the information a reliability rating varying from "A" to "B". An explanation of this rating is as follows:

Rating "A" - The information is considered reliable in substance and proceeding from a reliable source. Subject to other information received from other reliable sources either in affirmation or in negation, weight and credence in general should be given to it.

Rating "B" - Information is considered reasonable, but is not confirmed. Information of this type may proceed from a mere logical deduction from the general or specific circumstances attending and influencing general or specific situations.

The memorandum will for purposes of coherence be divided into separate subjects, but attention is called to the fact that all the subjects are interrelated, and each contributes toward the general conclusion that may be reached.

I. Factional strife in Germany: possible peace moves.

The Reichswehr command is today (September 15th) divided into two factions, the first - Extremist, the second - Conservative. The Extremists are strong adherents of Hitler, and include such personalities as Generals Keitel and Reichenau, and a dozen or so less important high ranking officers. The conservative group includes such men as Generals Witzleben, Brauchitsch, Runsted, and Elaskowitz. In addition to these men Marshal Goering is now inclining toward the Conservative group, which is the real reason for his present alienation from Hitler. He and other members of the Conservative faction are under close surveillance of the Gestapo.

The Conservatives aim at final liquidation of the Nazi party at the earliest opportunity, and through loyal non-commissioned officers are spreading disrepute of Nazi leaders among the soldiers. The argument of the Conservatives when approaching the soldiery is to point

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out the damage being done to German world prestige and German army reputation by Nazi tactics, and this argument has had telling effect.

The Conservative group is not in favor of embarking on such a costly venture as the invasion of Britain. They feel that even if this venture proved successful, it would greatly weaken Germany at a time when America grows progressively stronger. However, even the Conservatives will risk an invasion if unable to negotiate a satisfactory peace. They do not any longer believe in the possibility of a German dictated peace, but hope for American intervention in arriving at a negotiated peace. They consider that even with America's help, Great Britain would be unable to successfully invade Europe since the German army reserve in men and equipment is sufficient to enable Germany to carry on for a long time independently of supplies obtained in Russia. The Army claims to have a reserve of armament, munitions, and equipment sufficient to last years, and stored all over Europe, particularly in France, Austria, and Czechoslovakia.

The liquidation of the Nazi party is held by the Conservatives to be a primary essential to a successful peace move, but they realize that it could be effected only by a coup which would be accompanied by serious internal disorders and bloodshed. The Conservatives hesitate to take such a step while major military operations are still under way, since the success of these operations would then be prejudiced. If there was some assurance that the British would meet them half way, and not seek dismemberment and eternal ruination of Germany, the coup might be attempted.

A discussion was recently held in Munster under the leadership of Colonel Schmidt and Major Gerken of the Sixth Army Staff, with respect to possible peace terms. In general these terms might be broadly outlined as follows:

1. The British Empire would be left intact.
2. The Germans would be given a free hand in Russia to occupy up to the Ural Mountains for twenty-five years.
3. A free occupation of the protectorates of Poland and Czechoslovakia.
4. Germany would free Holland, Belgium, and Norway, but would retain Luxemburg, and Alsace Loraine.
5. France would be freed, but with the condition that the Germans have unlimited freedom of enterprise and movement of German Nationals in French Colonies.
6. Croatia, some Greek Islands, and part of Greece near Albania to go to Italy.
7. Germany would claim no colonies, but would want large concessions in East Indies products for which she now has contracts with the Dutch

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puppet Government.

8. Germany would not back Japan in any conquest of the Dutch East Indies.

The Naval Attache's informant states that the Conservative group would like to send, preferably to Istanbul, one of their principals, to meet a person having the confidence of the President of the United States, in order to discuss peace terms, and obtain the latter's views as to a just peace.

## II. Possibilities of invasion of England.

The Brauchitsch (Conservative) group have no enthusiasm for invasion, but will ultimately try it unless some kind of favorable negotiated peace can be arranged.

The German general staff admits they are seven weeks behind schedule in the Russian campaign, and they are disappointed with the slow progress and the heavy losses they have suffered. This may result in postponing any contemplated plans for invasion of England for six months or longer. The staff realizes that such an invasion would entail the sacrifice of huge quantities of men and material and would leave Germany so weakened as to make it impossible to carry out further military operations.

The General Staff, while not very confident of accomplishing a successful invasion of Britain, has nevertheless made detailed preparation for such a venture. More than 3,000 Heinkel 111's with several thousand towing gliders with specially trained pilots are being held in reserve. There are also many Junkers transports of which 500 are now in daily operation bringing back seriously wounded from the Russian front.

The High Command realizes invasion of Britain must be done chiefly from the air, especially since motor speed boats, of which much was expected, have proved worthless in rough weather. If an invasion is attempted 80% of the troop carrying and other activity will be in the air, and the Germans will throw in everything they have. For this reason, an invasion attempt is held highly improbable, until three months or more after destruction of Russian first line forces and the establishment of a front line east of Moscow and Kiev.

Hitler wanted to undertake an invasion of England soon after the end of the Greek campaign, but the high command was unwilling to embark on such a venture with the potential threat of Russia at their backs and their dependence on that country for supplies.

## III. German Morale.

The heavy bombing by the British during the last two months has had a decided effect upon the German civilian morale, especially at Munster,

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Aachen, Bremen, Hamburg and Kiel. The damage to date in Berlin has been slight, however. Should this bombing by the English continue to increase, the inhabitants in some of the above enumerated cities may not be able to stand it much longer, and will decamp.

It is obvious that German workmen, to say nothing of indentured workmen, will not continue indefinitely to produce under the present high pressure conditions. This fact is evidenced by the noisy protest meetings held in numerous factories last month, in addition to serious revolt at the Junkers works at Dessau and Leipzig, and at the shipyards in Hamburg and Bremen. Such grumblings cannot be curtailed without placing a substantial percentage of available workmen in prison camps, which would result in a serious stoppage of production. Even though serious consequences might follow if such a step were taken, it would not mean that German morale would crack. The German rulers try to avoid shooting those who interfere with the production schedule, but would not hesitate to do so if they felt conditions warranted such steps.

#### IV. Intelligence information on Italy. (Source - Adelchi Serena)

Italian people no longer believe in German victory, but cannot get out of German grip. The morale is low and there is a longing for peace, but nevertheless there have been no strikes or sabotage in factories.

Hitler asked for ten more Italian divisions for Russia, but Il Duce refused on the grounds that Italian soldiers were not inured to the Russian climate. The Axis is training many Germans and Italians in Sicily, while at the German Colonial School in Rome, there are being trained 2,200 young Germans for colonial police.

Bombardment of Naples toward the end of August hit a big munitions train of 98 cars which all exploded. Missed, however, were two large cruisers and three destroyers in the harbor. These were protected by a smoke screen. The ships mentioned were still there about the tenth of September.

The Italians are working hard on fortification of the Italo-Austrian frontier.

The Italian government no longer believes that Japan can be relied on as an axis partner.

#### V. Military Intelligence.

Germany has great need of manganese, rubber, cotton, and nickel. Their supply of copper seems to be sufficient for about one year, and they have enough gasoline for the time being.

During the past six months some twenty auxiliary cruisers have been completed and equipped. In part, these cruisers have been converted from large freighters seized from Holland, Belgium, and Norway, and bought from Denmark. Four 18,000 ton cruisers of a new secret type are now under

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construction in Hamburg, Bremen, Kiel and Danzig, but will not be ready for some time. They are reputed to be very fast and effective. Informant is endeavoring to secure more information concerning these ships.

Central Headquarters, air defense set up in Berlin Tiergarten one minute from Zoo station and eighty meters from Charlottenburger Chaussee. It is a large green stone building, resembling a 16th century fortress with four of the largest AA guns ever built, in retractable turrets on the roof. These guns are said to be able to fire up to heights of 12,000 meters. The largest sound locator in Germany is erected in a building close by.

#### VI. The Russian campaign.

German losses in men and material in the Russian War are far greater than in all previous military operations combined.

Hitler did not desire SS troops used on active fronts but Goering, who has read the writing on the wall for the Nazi party, sent many under fire in Serbia, Greece, Crete and Russia. These units suffered heavy casualties, especially in Russia, around Minsk and Smolensk. One of these SS units did however do effective work at Minsk, and later south of Kiev by slipping through the Russian lines and giving false orders supposedly emanating from a Russian major. These orders caused confusion in the Russian ranks and resulted in heavy losses in men and material. The leader of this unit and the man responsible for the feat was one Captain Donner of SS regiment 17 G (or E?). He was born in St. Petersburg of German parents, is forty-five years old, and of course speaks Russian like a native. He did successful intelligence work in Russia as a member of military delegations before the Russian campaign started.

Two motorized and one infantry division which were stationed at Stahnsdorf and Luchenwald, and especially trained and equipped for African service, were re-equipped and sent to Russian front because of heavy losses there.

The Germans have nearly 70,000 trained pilots and at least 100,000 more are being trained. They have suffered heavy losses in Russia among their most experienced pilots including 18 of their best squadron leaders during the first month.

#### VII. Coordinated advance on Suez, Malta, and Gibraltar.

Notwithstanding the fact that the German General Staff is not inclined to undertake simultaneous major operations on different fronts renewal of action against the Suez is quite probable within the next two to four weeks. (Date of this information approximately September 17th.)

The Germans claim that they have moved great quantities of material to Libya in the last four months and that they now have, in addition to strong Italian reinforcements, seven mechanized and infantry divisions. The axis

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reinforcements in Libya are reputed to be heavier than the British believe, as only six transports in forty were torpedoed or damaged while enroute from Italy in the three weeks preceeding September 2nd. The British were successful however in damaging five more in the harbors of Tripoli and Benghazi, but not until they had been unloaded.

The Germans feel that unless they can reach Suez, or render it untenable, they cannot hope to stop the enormous supply of men and materials for that area, and eventually for Russia.

Hitler and Mussolini have met alone four times recently, and in these meetings decided upon taking stronger action in the Mediterranean in general, and specifically to attack Malta and Gibraltar. The source of this last item is the cousin of Signor Serena, the chief adviser of Mussolini, and the Secretary of the Fascist party. (A position formerly held by Starace).

The British should be on the alert for a new thrust from General Rommel aimed at the Suez defenses, coupled with a simultaneous air attack on Alexandria with special air troops, transport planes, and equipment from Greece and Crete. At the same time, there will be a heavy and coordinated drive on Malta and Gibraltar, for which German troops are now being organized in Italy. In this connection, our informant states that German soldiers in civilian clothes are reported filtering through the Spanish frontier. Troops, transport planes, and equipment for the Malta Gibraltar operation are now being assembled in Italy.

End of this memorandum.

Additional information from this informant will be supplied when available.

*A.G. Kirk*

A. G. Kirk, Captain, USN.,  
Director of Naval Intelligence

Copies to  
CNO 16-F  
MID F-1  
Op-16 F-9

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## Appendix 2: What do we know of the relationship between Raoul Wallenberg and Lolle Smit?

The Swedish Red Cross in Russia has from its very first involvement insisted that it was a purely humanitarian institution which worked for the good of prisoners of war in a completely neutral and unpolitical way. The Petrograd Office pointed out repeatedly that it worked not only for the prisoners of war of the Central Powers in Russia but just as much for the Russian prisoners of war in the Central Powers. This was, however, unknown for the great mass of people and indeed even for some of the Russian authorities. Those people considered that the Swedish Red Cross was an exclusively German interest, indeed, the view that the Swedish Red Cross in Russia was quite simply a centre for German espionage was widespread. This naturally had an effect on the attitude of the Russian authorities towards the Petrograd Office, which often was unaccommodating and unfavourably disposed. As a result, this added to the difficulty of the work. The rules and regulations pertaining to prisoners of war were particularly strict and it was extremely difficult to make contact with prisoners of war. Things went so far that delegates were arrested as suspected spies.<sup>34</sup>

The sponsors of Raoul Wallenberg's mission to Budapest would have done well to reflect on these words of a Swedish Red Cross representative, writing of his experience in Russia during the First World War. In 1945, Russian attitudes among the military forces entering Budapest, had in no way changed: indeed they were rawer. There was also another complicating circumstance which was crisply summed up by László Josefovits, one of Valdemar Langlet's chief assistants:

Das Rote Kreuz war also , sozusagen gezwungen, seine Tätigkeit unter verschiedenen Deckbegriffe zu tarnen und illegal auszuüben.<sup>35</sup>

In short, in the extreme situation which had arisen in Budapest in 1944, Langlet's organisation had been forced to disguise what it was doing and to play fast and loose with rules and regulations in order to succeed with its humanitarian task. The same was naturally true of Wallenberg's organisation.

The problem with this was that the use of standard conspiratorial techniques to protect humanitarian personnel in their duties could be easily misunderstood. If people acted under cover, were they perhaps spies after all? Was the Red Cross perhaps just a cloak for intelligence activities? Before dismissing such thoughts as the preposterous fantasies of the paranoid, one would do well to bear in mind that

<sup>34</sup> Th. Wennerström, *Med svenska Röda Korset under världskriget*, Almqvist & Wiksell, Uppsala, 1927, p. 215.

<sup>35</sup> Account of the activities of the Swedish Red Cross in Hungary by László Josefovits, dated 9/v/45. Langlets arkiv, Kungliga Biblioteket, Stockholm.

Carl Petersén, the head of C-Bureau, Sweden's secret service during the Second World War, had in fact earlier served in the Swedish Red Cross.<sup>36</sup> Although there is nothing to suggest that Petersén while employed by the Red Cross was also acting as a spy, the simple fact that he had played both roles though not simultaneously, was enough to allow the British Naval Attaché in Stockholm to pull his leg on at least one occasion.<sup>37</sup> But what to the British was merely the occasion for pleasant banter, became something very different in suspicious Russian eyes.

So given this real potential for misconception (i) what were the actual relations between Raoul Wallenberg and Lolle Smit and (ii) what did the Russian authorities make of them ?

There are at present only two concrete facts known which directly connect Lolle Smit and Raoul Wallenberg in Budapest. The first is the relationship between Raoul Wallenberg and Lolle's daughter Berber. The second has been noted by Gabor Forgács in writing an account of Wallenberg's office at Üllői út 2-4.

Hungary declared itself to be at war with Great-Britain and the United States in December 1941. As a result of this, it automatically got into war with Holland and Belgium (not with France, because it hadn't been belligerent since August, 1940, due to the German-French armistice).

The diplomatic interest protection of the citizens of the Netherlands was taken over by Sweden. The economically highly significant Hungarian-Holland Insurance Company was one of these, the leadership was taken by Lole .[sic] Smit, the representative of Philips in Budapest, for the period of suspending operation. The office of 7-800 m<sup>2</sup>, consisting of more than 30 rooms, bathrooms, a kitchen and lavatories, being in 2-4, Üllői street, presumably was rented from Mr. Smit.<sup>38</sup>

On a more general plane, we also know- though the details still remain to fill in- that Lolle Smit was also involved in activities to protect Jews in the Balkans and to arrange for them to escape. Thus one can certainly presuppose a certain common ground between the Dutchman and the Swede. There was also a further indirect connection between the two. Lolle Smit was closely involved with the Dutch officer escapees in Budapest, some of whom had been involved in the fabrication of protective papers. Now the manufacture and circulation of counterfeit papers was an issue which would attract a good deal of attention from the Russian organs in Budapest who saw in it a possible escape route for their political opponents. A question, not fully resolved, is how far these Dutch-produced papers may have been used by the Wallenberg organisation, either with or without the explicit consent of Wallenberg or his chief deputies.<sup>39</sup>

<sup>36</sup> See Esther Petersén, *Från land till land* (Stockholm: Lindfors Bokförlag, 1942). On p. 150, she writes: "Jag satt också och tänkte jag på vad min mans arbete inom Röda Kors-flyget hade fört i vår väg av många intressanta personligheter och föregångskvinnor inom flyget".

<sup>37</sup> Henry Denham, *Inside the Nazi Ring* (London: John Murray, 1984). See page 130.

<sup>38</sup> See <http://www.raoul-wallenberg.eu/testimony/history-of-wallenbergs-office-hired-by-the-swedish-embassy/>

<sup>39</sup> In her interesting account *The London-Budapest Game* (-: Lulu Books, 2007) ISBN 978-1-4303-1178-2, Catherine

So the following questions arise: were the Russian security authorities interested in investigating possible information which Wallenberg might have possessed regarding Smit and his activities on behalf of the British and American Intelligence Services in the Balkans? Furthermore did they go so far as to suppose that there might have been a hidden intelligence link between Smit and Wallenberg?<sup>40</sup> Indeed was there a hidden link of some sort?

To all these questions, we can at present give no answer. What we do know is that by June 1946- and probably much earlier- Russian intelligence could not be in any doubt about Smit's aid to Colonel Howie, about his connection with the British and Polish special services and the respect with which the Dutchman was treated by high Western officials<sup>41</sup>. Despite certain conciliatory moves in the beginning<sup>42</sup>, they looked upon his continued presence in the Balkans with considerable animosity. In their book *Russia Astride the Balkans*<sup>43</sup>, Bishop and Crayfield amusingly draw attention to the irritation shown by the Russians over the fact that Lolle Smit and Major Thomas Hogg (later the husband of Berber Smit) were served before them and treated with great attention by the waiters at the fashionable restaurant "Cina" in Bucharest. However, behind this trivial incident, were undoubtedly other more potent factors at play and as I have already noted, the Soviet authorities exerted pressure on the Romanians to ensure that the Dutchman was unable to stay on in the Balkans after the war. Stalin had his own plans for that part of the world and was determined to clip off any Western political ties likely to stand in his way. Various carefully concocted spy trials in the Balkans such as that against R. Vogeler, E. Sanders and others in Budapest in 1949-1950<sup>44</sup> and against Ernst Dawyl who was imprisoned in Romania in 1949, were all pieces in a broader concerted effort to discredit and remove Western influence from the region. The case of Dawyl where the British papers have only recently become available, is particularly apposite since he was explicitly accused of earlier working with the British intelligence agent, Lolle Smit.<sup>45</sup>

Yet as I see it, any supposed spy connection whether with Smit or others, attributed by the Russians to Wallenberg is likely to have played a minor role in their negative judgement of the Swede, although it may have provided a convenient pretext for holding him initially. In addition the espionage accusation no doubt served as a useful tool of intimidation, just as later it

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Schandl is adamant that van der Waals did co-operate with Wallenberg in providing faked papers. She may well be right, although at present there is no archival source which corroborates this.

<sup>40</sup> It is at this point that Smit's connection, not only with the British but also with the Americans, seems most relevant.

<sup>41</sup> The postwar meeting with Averell Harriman in Bucharest would undoubtedly have been noted.

<sup>42</sup> Smit speaks of the Russians (Captains Selivanov and Drosdov) placing an order for equipment in 1945.

<sup>43</sup> I possess this book only in Swedish translation. R. Bishop och E.S. Crayfield, *Sovjet topprider Balkan* (Stockholm: Fahlcrantz & Gumaelius, 1948). The specific mention of Lolle Smit occurs in Cap. 11. In the Swedish translation, it occurs on p. 139. R. Bishop was a member of O.S.S and knew a thing or two. Crayfield is a pseudonym. Crayfield also knew a thing or two.

<sup>44</sup> See the court proceedings produced in book form in English and entitled *R. Vogeler, E. Sanders and their accomplices before the criminal court* (Budapest: The Hungarian State publishing House, 1950).

<sup>45</sup> See the file FO 371/143325 released in May 2010 to TNA, Kew.

would serve as a propaganda smoke screen.

A more substantial matter was any deal to free Jews in return for certain concessions to their oppressors.<sup>46</sup> The extraction of concessions was a subject which greatly interested Stalin if only for his own strategic use. It is far from clear that all the details relating to proposed barter deals involving Jews have come to light. At the time and soon after the war, there was every reason to keep certain proposals- whether implemented or not- secret, either because they had run counter to Allied policy during the war ( legislation against trading with the enemy) or because they were in fact carried out covertly by the Allies but could not be openly acknowledged for the self-same reason that governments are reluctant to acknowledge any negotiation with terrorists over hostages: it sets a very bad precedent. In the case of Raoul Wallenberg, it is astonishing that so little effort has gone into investigating the agreement brokered with Becher and mentioned long ago by Rezö Kasztner<sup>47</sup>, whereby a trainload of Jewish children were to be transported to Sweden in return for a million dollars. Key question: how was the money to be paid and who exactly were in on the deal?

Yet Stalin was nothing if not pragmatic. The past was of interest to him only if it could be used for future ends. The seizure of Wallenberg is not something to be explained in terms of what Wallenberg had or had not done in the past. Rather it was motivated by Stalin's attitude to the role that the young Swede and his associates might play in the immediate future. One key consideration in 1945 was the 'repatriation' of Soviet citizens and certain other nationals whom Stalin wished to see returned to Russia.<sup>48</sup> Another was the political situation in Hungary. In the case of the latter, Wallenberg's ambitious plans for postwar work in Hungary to be implemented through an organisation bearing his name<sup>49</sup>, must inevitably have provoked considerable irritation on the part of the *Vozhd.* : "how dare this interfering puppy from Sweden start pissing in my territory!" Was it not, perhaps, for this reason that Wallenberg's interrogator bluntly told him that his was "a political case"?<sup>50</sup> It also explains the otherwise extraordinary comment of the pensioned KGB general interviewed by Jonathan Brent, to the effect that Wallenberg was a conceited

<sup>46</sup> For a survey of what is known see Yehuda Bauer, *Jews for Sale?* (New Haven & London: Yale University Press, 1994)

<sup>47</sup> Reszö Kasztner, *Der Kasztner-Bericht* (München: Kindler, 1961). See page 232 and note in particular the formulation: "Er wandte sich an Becher und stellte sich auf geschäftliche Basis, wobei die Deponierung von einer Million Dollar anbot." A sceptic would point out that Kasztner cannot be seen as a wholly reliable witness. It should be noted that Kasztner claimed that the deal with Becher had come too late and fell through.

<sup>48</sup> From this perspective, Wallenberg's apprehension and detention is to be seen as a rather blatant example of hostage-taking with a view to extracting bargaining advantages in reaching an agreement over repatriation. This would also apply to the apprehension and detention of the Swiss officials Meier and Feller. But whereas the Swiss realised what was at stake and drove a bargain over a swap arrangement, the Swedes chose to play by the strict rule book of international law with disastrous consequences for Raoul Wallenberg.

<sup>49</sup> See Jenő Lévai, *Raoul Wallenberg-hjälten i Budapest* (Stockholm: Saxon & Lindströms, 1948), pp 246-255.. The organisation was to be named "The Wallenberg Institute for Rescue and Reconstruction".

<sup>50</sup> Raoul Wallenberg, *Dokumentsamling jämte kommentarer rörande hans fångenskap i Sovjetunionen* (Stockholm: Kungl. Utrikesdepartementet, 1957). See page 26.

ass who had designs on becoming President of Hungary.<sup>51</sup> This was undoubtedly a gross exaggeration, but it yields in its subtext a clue to one reason for Stalin's displeasure and perhaps also a (partial) explanation for the eventual disappearance of Raoul Wallenberg. The removal of the young Swede, an uncrowned king of the Jews, meant simply that another chesspiece for Western interference in postwar Hungarian affairs - and probably more widely - had been removed from the board .

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<sup>51</sup> Jonathan Brent, Inside the Stalin Archives. My own copy is the Swedish edition : Stalins Arkiv Sökandet efter det Nya Ryssland (Stockholm: Ekerlids Historia, 2008). The relevant passage is to be found at the close of Chapter 20.