

Recommendation X: Shell's Secret Plan for a Cold War Propaganda Unit

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Declassified files show how British oil giant Shell hatched a secret plan in the 1960s to defend the West's share of the global energy market, with help from UK propaganda and intelligence agencies.

British oil corporation Shell hatched plans for a secret Cold War propaganda unit, recently declassified [documents](#) reveal.

In 1960, Shell commissioned a report into "communist efforts to disrupt the operations of major oil companies" across the developing world, and what private industry should do about it.

The report was authored by Sir George Sinclair, a staunch anti-communist who had [spent](#) decades in Britain's colonial services, and whose brother was the general manager of Shell in Burma.

Between 1960 and 1962, Sinclair used his long-standing links with the Foreign Office to produce the report, receiving "the greatest help from Her Majesty's Government and from Shell, not only in London but also...in many countries overseas".

Sinclair drew particularly on the resources and advice of the Information Research Department (IRD), Britain's covert Cold War [propaganda](#) arm. He also collaborated with Britain's intelligence services.

In his final report, Sinclair warned that communist activities across Asia, Africa, and Latin America had serious "implications for Western oil interests".

To this end, Sinclair attached a secret appendix to his final report, detailing plans for a private industry-funded propaganda unit designed to defend the West's share of the global energy market.

The unit would be funded by Britain's leading oil, banking and pharmaceutical companies, and engage in covert information operations across the developing world in the service of Western private enterprise. Its annual budget would run into the hundreds of thousands of pounds.

The degree to which the proposal for the unit was implemented, and whether the campaign was successful, remains unclear. But the plan throws new light on the Foreign Office's relationship with big oil during the Cold War, and how covert propaganda operations were seen as a device to maintain Western control over global oil supplies.

SECRET

RECOMMENDATION X OF THE
SINCLAIR REPORT

H. M. G. 's Interest

I. R. D. have for years been looking for ways to tap big business's reserves of good will and money and use them to plug the gap between secret and open vote expenditure on the Cold War.

2. Recommendation X of the Sinclair report might be the answer.

3. H. M. G. 's purpose would be served by the creation of a strictly non-governmental body which would

- (a) promote wider public awareness, particularly in British business circles, of the threat to Western interests posed by Communist methods of propaganda and subversion (especially in the uncommitted countries);
- (b) actively encourage and finance appropriate measures, designed to meet that threat, which cannot appropriately be sponsored or financed by H. M. G.

4. The key-word is appropriate in paragraph 3(b) above. An organisation which did the wrong things would be positively dangerous.

What the body should not do.

5. H. M. G. 's interest would best be served if this body:

- (a) did not itself duplicate the research into Communist strategy, tactics and methods now being conducted by H. M. G., but instead had access to the results of that research on a confidential basis (we cannot of course control how much they spend on research of commercial interest to themselves);
- (b) did not itself undertake operations of an obviously cold-war or political character overseas;
- (c) was not by its terms of reference or title obviously committed to the promotion of a particular economic doctrine, such as the "free enterprise" system, which might impair its image and inhibit its activity in mixed-economy countries.

What the body should do.

6. H. M. G. 's interest would best be served if the body were to concentrate on the promotion of specific professional, cultural,

/technical

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Recommendation X was discussed in secret. (Photo: John McEvoy)

Recommendation X

The secret plan was codenamed "Recommendation X", and was drawn up "in close association" with IRD chief Donald Hopson, his predecessor Ralph Murray, and Foreign Office official [Leslie Glass](#).

Britain's intelligence services were also aware of Sinclair's activities. In October 1960, Sinclair met MI5 chief Roger Hollis for "a discussion about his new job and the extent to which we [MI5] may be able to help him in it". Details of the meeting were then passed on to "C", MI6 chief Sir Dick White.

After numerous drafts and redrafts, Recommendation X was finalised on 5 February 1962. The document ran to 52 pages, specifying the requirement for a big business-funded propaganda unit, as well as its functions, structure, staffing, and costs.

There was a "gap to be filled" in the information field, wrote Sinclair, given that "Western free enterprise...has been declared by the Russians as a target to be weakened and destroyed".

Sinclair thus recommended the unit have "two interdependent divisions": one "for assessment" of the risks to Western industry, and the other "for projection" of a "favourable image" of Western private enterprise across Africa, Asia, and Latin America.

To this end, Sinclair proposed that the unit use "unattributable material indirectly commissioned through some third party" to project "the basic case for... private enterprise".

Sinclair also suggested that funds be provided "confidentially" for "non-attributable anti-Communist work in areas of particular financial interest" to Shell and other major Western companies.

This included "visits of influential people to the UK and visits of suitable Western personalities to the key areas overseas".

In making the case for private enterprise across the developing world by covert means, the unit would mirror tactics [used](#) by the US Central Intelligence Agency (CIA) and the IRD during the same period.

Indeed, Sinclair recommended using British and US intelligence-linked organisations to use and distribute the unit's material, such as the [Economic League](#), [Interdoc](#), and the Latin America Information Committee.

The 'Unit'

Sinclair could not decide on a name for the organisation, and referred to it simply as the "Unit".

However, he insisted that the "choice of a title for an organisation that has some overt and some covert activities is important". It was, he said, "often best to select a title that describes the overt activities as accurately as possible and thus provides a convincing cover story for the other work of the organisation and its staff".

As such, he preferred something along the lines of the "Overseas Industrial Research Unit".

It would require one director, one deputy director, one chief research economist, three research officers (one for each Latin America, Africa and Asia), one statistics officer, two production officers, an accountant, a registry officer, a librarian, two secretaries, and a messenger. Such staff needed to be "of high calibre" to make "a real impact in the war of ideas", he wrote.

In the unit's first year of operation, costs of staff, offices, consultants, and production were estimated to be £134,350, roughly £2m today. By the unit's third year, costs were projected to rise to £410,170, over £6m today.

Shell would be the primary, but not the sole sponsor of the unit.

To get the organisation off the ground, Sinclair proposed approaching a number of Britain's leading oil, pharmaceutical, chemical and banking companies such as BP, Unilever, ICI, British-American Tobacco, Barclays, and the Bank of London and South America.

"Once discussion of this project between Shell and HMG had reached a stage which would... justify an approach to other industries", Sinclair wrote, the managing directors of Shell should approach Unilever and, with Unilever, approach ICI and, with Unilever and ICI, approach the banks, and so on.

"If the free enterprises of the West wish to foster, in the developing countries, a climate of ideas favourable to the survival and expansion of the free enterprise system, they should, in my view, tackle this problem now", Sinclair emphasised in an earlier draft.

Such a project would be "bound to" meet "nationalist resistance", he lamented, and therefore the unit should "get local leaders and organisations" to contribute as much as possible.

"This is a pump priming exercise: so is outside aid and technical assistance: both are liable to run up against nationalist feelings, but both are necessary. What is important is that both operations should be carried out as sensitively as possible", he concluded.

No question of going back

After Sinclair submitted his report, the Foreign Office held a series of internal discussions on how to respond to it.

On 9 March 1962, Foreign Office deputy under-secretary Humphrey Trevelyan noted that "I think we should have a very clear idea" on "the degree of our interest [in the Unit] ranging from benevolent neutrality to active encouragement".

He added: "There is of course no question of going back on the decision reached so far that we should take a positive and encouraging attitude towards this scheme".

On 28 March, IRD chief Donald Hopson responded more positively to the initiative. "IRD have for years been looking for ways to tap big business's reserves of good will and money and use them to plug the gap between secret and open vote expenditure on the Cold War", he wrote.

As *Declassified* [revealed](#), Shell and BP had been providing secret subsidies to the IRD to fund covert propaganda operations around the companies' areas of operation, such as the Middle East and Africa.

In Hopson's view, a big business-funded unit would be less likely to "create suspicion", and would be able to reach targets often "inaccessible to the guns of the official machine" such as opposition parties, as well as hostile trade union and student organisations.

It would also solve the problem of a “shortage of public money” for covert British propaganda activities. As such, Hopson concluded, “Recommendation X of the Sinclair report might be the answer” to the IRD’s difficulties.

The next month, Assistant Under-Secretary for Foreign Affairs Leslie Glass similarly noted that the British government had a “wider interest” in supporting Recommendation X. “We are endeavouring to fight the Cold War largely with our public sector only, whereas our rivals have centralised direction of all sectors of their economy. It is to HMG’s interest to get Big Business more directly involved in the Cold War”, he noted.

By December 1962, Shell had held “tentative discussions” with Unilever and ICI, but “had found little enthusiasm for the project – particularly for something which was a new organisation altogether, and which appeared to be ‘hush-hush’”.

Despite this, Shell director [Harold Wilkinson](#) was “not likely yet to drop the idea”. In fact, Wilkinson felt that the objectives in Recommendation X were defined too narrowly.

“It appeared to Shell that in fact the danger to them came not only from Russian or Chinese Communism but from any sort of nationalist Marxism which could lead to expropriation, nationalisation and anti-capitalism generally”, one IRD official noted.

Whether Shell thus expanded its terms of reference for Recommendation X, or abandoned the project altogether, remains unclear.

Shell did not respond to requests for comment.

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