

Joseph Kagan, textile manufacturer: born Kaunas, Lithuania 6 June 1915; founder of Kagan Textiles Limited 1951; Kt 1970 (knighthood annulled 1981); created 1976 Baron Kagan; married 1943 Margaret Stomas (two sons, one daughter); died London 18 January 1995.

The Prime Minister's entourage was the object of intense curiosity and fascination, mostly malevolent, during the Harold Wilson years. Of the dramatis personae none was less understood, but more apparently colourful, than Lord Kagan, known to the chattering classes as "Harold's Gannex Man", and the subject of tasteless ribaldry.

By chance and association with Richard Crossman and his Israeli friends, I happened to know better. Kagan had gone through the times of Hitler and Stalin, and survived perils, hardships and ever-present dangers the like of which were simply beyond the imagination of most of us brought up in Britain.

Joseph Kagan - 60 years later to become a peer of the United Kingdom - was born in 1915, the son of Benjamin and Miriam Kagan, who had built up a textile business in Kaunas, Lithuania, and who made a minor fortune by selling to the Kaiser's army grey cloth of a colour which gave maximum camouflage-effect in the conditions of the Russian winter.

Young Joseph, said the future Lord Kagan, could not have got a better technical education than that which was provided at the high school in the Jewish ghetto of Kaunas. Kagan came to England in the summer of 1933, chaperoned by his mother, to do a course in textiles at Leeds University. He was to return to the West Riding several times. However, when Stalin suddenly walked into Lithuania in 1940, Kagan was caught by the Red Army, although his father, by luck of being out of town, managed to make his escape to England.

Joseph Kagan took over the family woollen mill, which the Russians allowed him to keep. In later years it was pointed out that it was highly unusual in the circumstances of the Soviet invasion of the Baltic republic for anyone to be allowed to hold on to their factory, least of all if they were Jewish, domiciled in a ghetto. This was interpreted as an indication that Kagan might at an early stage have had relations with the KGB, if not that he was an actual KGB agent. Indeed I recollect that this suspicion was echoed by both the Silkin brothers, John (Chief Whip) and Sam (Attorney General), themselves of Lithuanian extraction and Jewish, in candid moments. Suffice to say that the innuendo about his acceptability to the Russian invaders was fodder for those who wanted to damage Kagan, and indirectly Harold Wilson by linking him with the KGB.

In the summer of 1941, when it was the turn of Hitler's armies to roll across the Lithuanian plain, Kagan was captured and sent to various work camps, ending up as a foundry worker in Kaunas. In 1943 he married his girlfriend Margaret Stomas having, for months, hidden her and her whole family behind a partition in the foundry in which he worked, smuggling in food and taking out excrement. His son, Daniel, said in the entrancing programme produced by Yorkshire Television and shown on ITV in 1980 Joe Kagan Just Another Bump on the Road, "He was already good at finding ways of doing things that could not be done; the means were somewhat insensitive, but the ends were sure to work."

Kagan later in life paid touching tribute to the Gentile Roman Catholic Vytautas Rinkevicius, who died in 1988 and received the medal of the Israeli Padvashem Holocaust Committee, given to "righteous Gentiles" who helped Jews to escape from Nazi persecution. Rinkevicius was the foreman at the foundry to which Kagan was brought as a slave. Kagan recalled that one day he noticed that Rinkevicius was angry when he saw a boy being beaten up and he decided on the spot that he could trust him and confided his plan of hiding his fiancée's family behind a wall in the factory.

Rinkevicius took a great risk, as the penalty for helping Jews was summary execution for the offender and his family. However, he helped Kagan build a 6ft-long shelter in the eaves of the foundry roof where Kagan, his wife, his father-in-law and his mother-in-law hid for nine months until Lithuania was again occupied by the

Russians.

Kagan was able to get permission to move to Romania and from Bucharest wangled it to go to Israel. From the Jewish territories he again talked the authorities into allowing himself and his family to visit West Yorkshire, where he had been with friends 12 years before.

Borrowing money from those who remembered him as an extremely hard-working man, he began to manufacture a fabric called "Gannex". It was his great good fortune that Harold Wilson took to wearing Kagan's raincoats (and giving them away - Khrushchev was the recipient of a Gannex coat in 1963); as Wilson became more famous few people could have had the luck of such a free advertisement.

Friendship was formed with Wilson and Kagan became a member of the entourage, contributing much-needed money to the running of Wilson's political office. The trust which Kagan set up made its first big contribution in November 1971 when donations up to that date were declared to be of the order of £10,000. Finding it difficult to finance an office before the era of the "Short money" (the public funding of the office, called after Edward Short who promoted it), Wilson was greatly helped by the Kagan trust - though it has to be said that Wilson had by that time put at least £40,000 of his own money to maintaining the office of Leader of the Opposition at an acceptable level.

Kagan when he came to Britain had first worked at a garage but by 1951 he was manufacturing rough blankets in a hastily erected shed near Huddersfield under the name of Kagan Textiles Limited. "Gannex" got a flying start when the Ministry of Defence ordered a lightweight coat made of wool and nylon. Kagan's break came with a huge order from the Bradford police. It coincided with the fashion-consciousness of the early 1960s.

The relationship between Wilson and Kagan, who was knighted in 1970 and created a life peer in Wilson's 1976 resignation honours list, was the cause of much comment, never more so than when, in December 1979, warrants were issued for the arrest of both Lord Kagan and his wife. The warrants alleged conspiracy to defraud the public revenue and to falsify records. Kagan, in Tel Aviv at the time, refused to come back to Britain. In the following year, however, 1980, he incautiously visited Paris, where he was arrested and extradited to Britain.

Four of the charges were laid under Section 1 of the 1968 Theft Act, alleging that with his eldest son in August 1977 Kagan stole 23 drums of indigo dye powder, the property of Kagan Textiles Ltd, which had by that time been taken over by another firm. Three other charges were on the sheet of theft of 126 drums, 45 drums and another 45 drums. It was charged that he dishonestly and with a view to gain for himself falsified a document required for accounting purposes.

The real trouble was perhaps not Kagan's financial affairs but what was perceived to be his continuing East European connections, which aroused the interest of the secret service. This was brought to a head by the discovery that Kagan was friendly with Richardas Vaygauskas, a fellow Lithuanian based at the Soviet Embassy between 1969 and 1971 and known to be an officer of the KGB.

I believe it is true that there was a relationship, because both men were keen chess players and Kagan wanted to keep on the good side of influential Lithuanian Russians in order to assist his own relatives back in Vilnius. However, evidence of the friendship caused an enormous hoo-ha at the time because of its potential to embarrass Harold Wilson.

Kagan was fined £375,000 and served a 10-month sentence in Rudgate Open Prison, North Yorkshire. Here he taught many of his fellow inmates to play chess to a high standard and also won a reputation as a neat and dextrous sewer of materials. Whereas many members of the House of Lords would simply have crumbled in prison, Joe Kagan found it a picnic compared to German concentration camps and the Russian army.

He was very hurt that the knighthood which Harold Wilson had given him was withdrawn but this made him all the more determined to reappear in the House of Lords. As an ex-prisoner he made uniquely valuable

contributions to debate on penal matters and wrote powerful letters to the broadsheet press.

I remember how moved I was when Kagan made his maiden speech in the House of Lords. Overcome by curiosity I went to hear what he had to say and it was very powerful. He believed that we lived in the midst of a desperate contest for the soul of man. It was between democracy and dictatorship. Two philosophies were fighting for ascendancy. In democracy the government was there for the benefit of the individual and its primary task was to safeguard his rights, and governments were periodically subject to the scrutiny and will of the people. On the other hand, in dictatorships the state owned everything, decided everything, controlled everything, and the people were totally at the mercy of the state. One knew that this was a man who spoke not from theory or reading but experience of five years of Stalin and Hitler.

Kagan interested all those present when he talked of the transfer of the contest from the military to the economic field. This was not a change that he regretted. But he emphasised that, whereas the danger of being outstripped by the Communist bloc in an economic contest was less obvious, it was still very real. He told the Lords that his medical friends informed him that cancer was such a dangerous disease precisely because in the early stages there was no manifestation of pain; once pain had come then the disease had taken its grip and it was usually too late for the patient to be saved.

By coming back to the House of Lords after his term of imprisonment Joseph Kagan displayed considerable guts. In my opinion Kagan was a man whose contribution to Britain far and away outweighed any of the naughty things which he may have done.

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