

PREM 19/594



The prosecution of a Mr J. B. Wagrstaff,  
 (a former Ministry of Defense official) under  
 the Official Secrets Act.

SECURITY

Reference to the Security Commission  
 under Lord Diplock.

May 1980.

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
<del>15.5.80</del>		<del>6.5.81</del>					
<del>30.5.80.</del>		8.5.81					
<del>4.6.80.</del>							
<del>5.6.80</del>							
<del>11.6.80</del>							
<del>13.6.80.</del>							
<del>24.6.80</del>							
<del>26.6.80.</del>							
<del>10.7.80</del>							
<del>12.7.80</del>							
<del>11.7.80</del>							
<del>15.7.80</del>							
<del>25.8.80</del>							
<del>3.9.80</del>							
<del>25.11.80</del>							
<del>21.11.80</del>							
<del>12.12.80</del>							
<del>17.12.80</del>							
<del>27.12.80</del>							
<del>4.9.81</del>							





File A4  
Security

10 DOWNING STREET

*From the Principal Private Secretary*

8 May 1981

Dear Lord Diplock,

The purpose of this letter is simply to let you know that the Security Commission Report on the Wagstaff case will be published this afternoon. The Prime Minister will make an announcement to the House of Commons by means of the attached written Question and Answer which have been agreed with the Leader of the Opposition.

Yours sincerely,

Kevin Whinnery.

The Right Honourable Lord Diplock

52



Question: To ask the Prime Minister whether the Security Commission has yet reported on the case of Mr Wagstaff; and when the Commission's report will be published ?

DRAFT ANSWER: I announced on 18 December 1980 that I had asked the Security Commission on 23 June to investigate and report upon the circumstances in which John Barry Wagstaff, a former Executive Officer in the Ministry of Defence, had been charged with an offence under the Official Secrets Act, and upon any related failure of departmental security arrangements or neglect of duty and, in the light of its investigation, to advise whether any change in security arrangements is necessary or desirable.

The Security Commission reported to me on 2 April 1981. Copies of their Report are available in the Vote Office. The Commission concludes that a number of individual Civil Servants were responsible for breaches in security regulations, particularly regarding their failure to report the apparent loss of classified information in 1978. This failure led to a regrettable delay in the proper investigation of the case. The Government accepts these criticisms and has taken steps to try to reduce the likelihood of a recurrence.

The Commission also concludes that a contributory factor might have been that the security regulations did not, at that time, give specific guidance on the handling of classified information stored on magnetic tape. It recommends that revised guidance should be issued on the handling within Government Departments of classified information processed under new technologies. The Government is taking the recommended action.





~~Mr. Ingham.~~

MW  
T.V.

MR WHITMORE ✓

SECURITY COMMISSION : WAGSTAFF

I attach material for use in any Press briefing concerning the publication of the Security Commission report which has now, I understand, been fixed for 11 am on Friday 8 May.

It consists of:

- 1) a background note on the Commission.
- 2) a background note on the case.
- 3) supplementaries on those points likely to be of interest to the Press.

I am sending copies of this to Sir Arthur Hockaday, and to Mr Nursaw.

SB

IAN BANCROFT

7 May 1981



THE SECURITY COMMISSION : BACKGROUND NOTE

Origins and Terms of Reference

The Security Commission was established in 1964 after discussions between the then Prime Minister (Sir Alec Douglas-Home) and the Leader of the Opposition (Mr Wilson) on the need for a small standing body to investigate breaches of security in the public service.

The setting up of the Security Commission was announced by the Prime Minister in the House of Commons on 23 January 1964. Its terms of reference as announced were:

"If so requested by the Prime Minister, to investigate and report upon the circumstances in which a breach of security is known to have occurred in the public service, and upon any related failure of departmental security arrangements or neglect of duty; and, in the light of any such investigation, to advise whether any change in security arrangements is necessary or desirable". Hansard 23 January 1964 Cols 1271/27.

In a statement on 10 May 1965 the Prime Minister (Mr Wilson) announced a change in the terms of reference so that a case could be referred to the Security Commission "... as soon as the Government are satisfied, or have good reason to think, that a breach of security has occurred in the public service." Hansard 10 May 1965 Cols 34/57. This enables the case to be referred to the Security Commission before the completion of any legal proceedings, although the public announcement of the reference would be deferred while the case was sub judice.

On the 26 March 1969 Mr Wilson announced a revision of the procedural arrangements to enable the Chairman of the Security Commission to advise



the Prime Minister as to whether a Security Commission investigation would be worthwhile in a particular case.

### Cases

Since its creation the Security Commission has examined and reported on 8 cases:

June 1965	Mr F C Bossard and Staff Sergeant P S Allen
July 1966	Squadron Leader P J Reen
June 1967	Miss H Keenan
November 1968	Chief Technician D R Britten
January 1969	Mr C E Bland
May 1973	Sub Lieutenant D J Bingham and Mr L M Hinchliffe
July 1973	Earl Jellicoe and Lord Lambton
May 1981	Mr B J Wagstaff

The reports have all been published as White Papers.

### Membership

When originally set up the membership of the Security Commission comprised a judicial Chairman and two members. This was later expanded to comprise a Chairman and 6 members, one of whom was a judicial member who could deputise for the Chairman. The present Chairman and members are listed below.

Lord Diplock (Chairman)  
Lord Bridge of Harwich  
General Sir Dudley Ward GCB, KBE, DSO  
Lord Allen of Abbeydale GCB  
Admiral Sir Horace Law GCB, OBE, DSC  
Lord Greenhill of Harrow GCMG, OBE  
Sir Allan Cottrell FRS



Usually an enquiry is conducted by the Chairman and two members of the Commission, although on occasion this has varied. Those sitting on the latest enquiry were Lord Diplock (Chairman), Lord Bridge, Lord Greenhill and Admiral Law.

The Secretary of the Security Commission is provided by Civil Service Department.

6 May 1981



## SECURITY COMMISSION REPORT ON WAGSTAFF

### BACKGROUND NOTE FOR PRESS OFFICES

#### INTRODUCTION

1. Under arrangements first announced by the then Prime Minister in 1969, the Prime Minister, with the agreement of the then Leader of the Opposition, asked the Security Commission on 23 June 1980 to investigate and report upon the circumstances in which John Wagstaff, formerly an Executive Officer in the Ministry of Defence, had been charged under the Official Secrets Act (OSA), and upon any related failure of departmental security arrangements or neglect of duty; and in the light of its investigation to advise whether any change in security arrangements is necessary or desirable.

2. The charge against Wagstaff under the OSA was withdrawn when he appeared at Bow Street on 4 September, but the Commission's investigation continued. A copy of the CONFIDENTIAL REVISE of their report is attached. It has been accepted by the Prime Minister, and the terms of her reply to an arranged PQ by the Leader of the Opposition on 8 May are also attached. The report will be available for distribution in the Vote Office when the PQ and answer have been published, from 11 am on Friday 8 May.

#### THE REPORT

3. The Commission's report is brief and contains the main facts of the case. It accepts the considered opinion of the Security Service that any suggestion of espionage is highly unlikely. It is, however, critical of the MOD, and publicity may be expected. The MOD regrets what has happened but does not consider it characteristic of the overall attitude to security in the Department. It accepts the Commission's criticisms and has already as acknowledged by the Commission, taken steps to remedy the weaknesses in the Security regulations which may have contributed to what happened.



## MAIN QUESTIONS

4. The main interest may centre on who exactly in MOD were responsible for the breaches of security identified by the Commission what action, if any, has been taken against them; and what has become of the rest of the missing tapes.

5. Paragraph 14 of the report refers to serious breaches of security regulations by a number of MOD staff apart from Wagstaff; and paragraph 15 to failure on the part of those who knew or suspected that tapes were missing to report the matter to their superiors. The Commission names no names; and in the latter case expressly says that it has not attempted the extremely difficult task at this stage of attributing culpability to named individuals. Disciplinary action was considered against certain individuals but it was concluded that the responsibility for what happened really belonged to Wagstaff and that the offences of the others did not merit disciplinary action. That there was laxity in the supervision of Wagstaff is undoubted; but at no time was the Division in question unable to shoulder its responsibilities. That the failure to report the loss of classified documents was a major breach of security is also undoubted. However Wagstaff was the main offender with the primary duty to report any loss. There appear to have been varying degrees of confusion in the minds of the others about the facts and responsibilities of the situation in which they found themselves; but the enquiry can have left them in no doubt of the breaches which had been committed.

6. As regards where the missing tapes are, the Commission considers it most likely (para 13) that they were lost within the Ministry of Defence. No further comment on this opinion can be made. There may also be questions on Wagstaff himself and on the security regulations.



SECURITY COMMISSION : WAGSTAFF

1. Why was a prosecution launched against Wagstaff and then abandoned?

A. There was a prima facie case that Wagstaff had committed an offence under s. 2(1)(b) of the Official Secrets Act 1911 by taking from the MOD tapes which contained classified material. The prosecution had to be dropped when it was discovered that it was not possible to establish, with the certainty required in criminal proceedings, what had been recorded on the tapes when they were taken.

2. Why was it not possible to establish what had been recorded on the tapes?

A. The difficulties can be seen from the Report, which makes clear that the charges concerned only a small fraction of the tapes which were missing, and these had been substantially wiped clean by Wagstaff.



3. Does the MOD accept the Commission's criticism?

A. The Prime Minister has indicated the Government's acceptance of the Commission's findings in her written reply to the Leader of the Opposition.

4. What is the MOD doing to improve matters for the future?

A. As stated in the Commission's report, the relevant security regulations relating to "stand alone" word processors have been amended. In addition MOD will of course be contributing to the recommended study on the application of specific security rules to the various types of magnetic media listed in the Annex to the Report.

5. Can you name the MOD employees who failed to report the loss of the tapes?

No. In view of the Commission's own conclusion that it would be extremely difficult to attribute blame to named individuals (para 15 of their report), it would not be right to name those involved.

6. Has anyone been sacked? Has any disciplinary action been taken against any individual?

No. Wagstaff, who had resigned before charges were brought against him bears the principal responsibility for such loss as happened. There was a degree of lack of supervision and of failures of others to adhere to security regulations. These have not been considered to warrant



disciplinary proceedings; but the enquiry can have left those concerned in no doubt regarding the breaches that had been committed.

7. What has become of the rest of the tapes?

This cannot be known with certainty, but the Commission concluded that they had most likely been lost within MOD.

8. Has there been any suggestion of espionage?

The Commission has accepted the considered opinion of the Security Service that any such suggestion must be considered highly unlikely.

9. Does not the report (and recent leaks) indicate an appalling lack of security in MOD?

No. The report indicates a lapse which concerned one individual and one specialised area of security. The report recognises that steps have since been taken in MOD to remedy the gap in security instructions which may have contributed to the breach.

10. How is it possible for people to remove Government property from the Main Building with such apparent ease?

It is very difficult to stop the initial dishonest act. The deterrent is that in the end that act will be discovered and penalised. Security regulations are expressly designed with this in mind.



11. What has happened to Wagstaff?

He resigned from MOD in January 1980 while consideration was still being given to his case.

12. Any questions on newspaper reports in Decmeber 1980 that Wagstaff was a senior official who carried a gun as a matter of routine.

Mr Wagstaff was employed in MOD as an executive officer. His duties did not require him to be armed.

13. Was Wagstaff employed in the office of the Deputy Under Secretary of State (Policy and Programmes) under Sir Patrick Nairne and Sir Arthur Hockaday?

Yes but the events described in the report occurred after he had moved to DS12 (paragraph 3 of the report).

14. Any questions on Wagstaff's financial claims against MOD following his premature return from his posting to Germany.

Mr Wagstaff's claims are under consideration, and it would not be right for me to comment further.

15. Is Mrs Wagstaff still employed by MOD?

Yes, there is no evidence that she was aware of the significance of her husband's actions.

16. Where is Mrs Wagstaff employed? Where do the Wagstaffs live?

Such information is not given to the Press.

17. How serious would the compromise of the material on the tapes be?

Compromise of classified material can never be treated lightly, but the measures included in the tapes



were essentially of a procedural or organisational character. Compromise must in any event be regarded as extremely hypothetical in the light of the conclusion of the Security Service which the Commission have accepted in paragraph 13 of their report.



**CONFIDENTIAL**

*Seen  
Wagstaff*

*cc Press Office*

7 May 1981

I enclose a copy of the final version of the Question on the Wagstaff case which the Leader of the Opposition will table today, together with the Answer which the Prime Minister will give tomorrow.

MIKE PATTISON

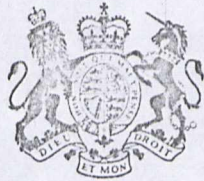
Brian Norbury, Esq.,  
Ministry of Defence.

**CONFIDENTIAL**

*ll*



Secret  
May 80



File A4  
HJ [unclear] 11/6/81  
To see + return, pl.  
file  
by

10 DOWNING STREET

THE PRIME MINISTER

6 May 1981

CONFIDENTIAL

Dear Richard

I last wrote to you on 25 November 1980 about the investigation by the Security Commission into the case involving Mr. Wagstaff, a former Executive Officer in the Ministry of Defence. The Commission reported on 2 April; I attach a copy of their report, which makes a number of criticisms concerning the behaviour of members of staff of the Ministry of Defence during events which took place before this Government took office. It also criticises the Ministry in respect of the management of Wagstaff, the regulations which were in force at the time, and the delay in investigation, and recommends that the Official Committee on Security should take steps to ensure that security regulations at present and in future are designed to cope adequately with advances in the technology for handling classified information.

In accordance with the arrangements announced in 1969 and subsequently modified, I will publish the Report. But I should be grateful for your agreement to a minor amendment in the published version to follow precedent and avoid specific reference to the Official Committee on Security by substituting "the responsible officials". Lord Diplock, the Commission Chairman, has agreed to this change.

/I propose

AD



I propose to acknowledge the criticisms and have already taken steps to implement the recommendations. I should like to follow the practice normal in such cases and make the announcement by way of a written Question and Answer on 8 May.

I hope you can agree to proceed in this way and to put down in due course a written Question that I could answer on the lines of the attached draft. If you are content, my office will make the necessary arrangements.

Yours sincerely  
Margaret Thatcher

The Right Honourable Michael Foot M.P.



Question: To ask the Prime Minister whether the Security Commission has yet reported on the case of Mr Wagstaff; and when the Commission's report will be published ?

DRAFT ANSWER: I announced on 18 December 1980 that I had asked the Security Commission on 23 June to investigate and report upon the circumstances in which John Barry Wagstaff, a former Executive Officer in the Ministry of Defence, had been charged with an offence under the Official Secrets Act, and upon any related failure of departmental security arrangements or neglect of duty and, in the light of its investigation, to advise whether any change in security arrangements is necessary or desirable.

The Security Commission reported to me on 2 April 1981. Copies of their Report are available in the Vote Office. The Commission concludes that a number of individual Civil Servants were responsible for breaches in security regulations, particularly regarding their failure to report the apparent loss of classified information in 1978. This failure led to a regrettable delay in the proper investigation of the case. The Government accepts these criticisms and has taken steps to try to reduce the likelihood of a recurrence.

The Commission also concludes that a contributory factor might have been that the security regulations did not, at that time, give specific guidance on the handling of classified information stored on magnetic tape. It recommends that revised guidance should be issued on the handling within Government Departments of classified information processed under new technologies. The Government is taking the recommended action.



CONFIDENTIAL



10 DOWNING STREET

*From the Principal Private Secretary*

SIR IAN BANCROFT

SECURITY COMMISSION : WAGSTAFF

I showed the Prime Minister your minute of 1st May 1981 about the Government's response to the Security Commission Report on the Wagstaff case, and as I told Mr Colman yesterday, she thought that the proposed Answer to the written Question which we want Mr Foot to put down was too casual and should be amended to make it clear that we took the strictures of the report very seriously.

I was grateful for the revised version of the Answer which Mr Colman sent with his minute of 5 May. The Prime Minister has approved this with a couple of minor amendments which I cleared with Mr Colman and she has now written to Mr Foot. I attach a copy of her letter and of the draft Answer in its latest form.

The Prime Minister has also considered the recommendations in paragraphs 8-10 of your minute of 1st May. She agrees that you should arrange for the terms of reference and membership of the Permanent Sub-Committee on Computer Security to be reviewed so that it can deal adequately with the question of office automation security. The Prime Minister is also content that you should invite the Security Policy and Methods Committee to consider whether there is evidence of Service-wide laxity in physical security and to recommend what should be done about it.

*JW.*

6 May 1981

CONFIDENTIAL

*AW*





1.

Prime Minister

A bit better. The original  
draft Answer is on page A and  
the report itself, in case you wish  
to refer to it again, on page B.

MR C A WHITMORE

SECURITY COMMISSION : WAGSTAFF

Content with this version  
return? Yes - with one  
amendment  
S.V.

You told me that the Prime Minister regarded the  
draft Answer on the Wagstaff case as being too  
casual in its treatment of the Security  
Commission's criticisms. I attach a redraft,  
which has been cleared with the Ministry of  
Defence.

I am sending a copy of this minute to Mr Webb in  
Sir Frank Cooper's office.

*Viriam Williams*

for: J G COLMAN  
Private Secretary  
5 May 1981



Question: To ask the Prime Minister whether the Security Commission has yet reported on the case of Mr Wagstaff; and when the Commission's report will be published?

DRAFT ANSWER: I announced on 18 December <sup>1980</sup> that I had asked the Security Commission on 23 June to investigate and report upon the circumstances in which John Barry Wagstaff, a former Executive Officer in the Ministry of Defence, had been charged with an offence under the Official Secrets Act, and upon any related failure of departmental security arrangements or neglect of duty and, in the light of its investigation, to advise whether any change in security arrangements is necessary or desirable.

On 2 April <sup>1981</sup> the Security Commission reported to me. Copies of their Report are available in the Vote Office. The Commission concludes that a number of individual Civil Servants were responsible for breaches in security regulations, particularly regarding their failure to report the apparent loss of classified information in 1978. This failure led to a regrettable delay in the proper investigation of the case. The Government accepts these criticisms and, although the events in question took place some time ago, has taken steps to try to reduce the likelihood of a recurrence.

The Commission also concludes that a contributory factor might have been that the security regulations did not, at that time, give specific guidance on the handling of classified information stored on magnetic tape. It recommends that revised guidance should be issued on the handling within Government Departments of classified information <sup>processed</sup> under new technologies. The Government is taking <sup>the</sup> appropriate action.

re commended

*[Handwritten signature]*



CONFIDENTIAL

Agree method of dealing  
with report. Proposed  
answer does not take in  
criticisms, which are seriously  
enough. ref.

PRIME MINISTER

Security Commission: Wagstaff

The Security Commission submitted their report on the Wagstaff case to you on 2 April, and you wrote to Lord Diplock and his colleagues on the Commission thanking them for the report on 9 April. I did not trouble you with the report at that time because we were then waiting for substantive advice on it.

This advice has now arrived in the form of the attached minute from Sir Ian Bancroft (Flag A). The report itself is at Flag B.

As the report makes clear, it is most unlikely that Wagstaff was engaged in spying. Rather, this is a case of serious lapses in security procedures, and the publication of the Security Commission's report is bound to cause the MOD considerable embarrassment and rightly so.

The normal procedure for dealing with Security Commission reports of this kind is for you to publish the report and at the same time to announce the Government's reaction to it by means of a written Answer to an arranged Question from the Leader of the Opposition. I have spoken to Mr. McCaffrey in Mr. Foot's office and he is confident that Mr. Foot will be ready to put down such a Question. Sir Ian Bancroft has submitted with his minute below a draft letter for you to send to Mr. Foot, together with a draft Answer, and I have had the letter typed in the hope that you will be ready to sign it (attached below).

The report has already been printed. After consulting Bernard Ingham and Nick Sanders, I suggest that we publish it and you give your Answer to Mr. Foot's Question on Friday 8 May.

CONFIDENTIAL

/This



CONFIDENTIAL

-2-

This will give Mr. Foot ample time to receive your letter and to study the report and your Answer.

Are you content to proceed in this way?

*fw.*

1 May 1981

CONFIDENTIAL





MR C A WHITMORE

SECURITY COMMISSION: WAGSTAFF

M ✓

Following its investigation into the Wagstaff case, the Security Commission reported to the Prime Minister on 2 April. We have now consulted the Security Service and the Ministry of Defence and in the light of their advice I recommend that no deletions need to be made in the interests of national security before the Report is published. Following the arrangements first announced by the Prime Minister in 1969, HMSO will publish the Report as a Command Paper. The usual arrangement would be for the announcement to be made by means of a written Question and Answer placed by agreement with the Leader of the Opposition. You have agreed, subject to the Prime Minister's view and that of the Leader of the Opposition, that a suitable date for publication and announcement would be Friday 3 May.

2. I therefore attach:

- i. a draft PQ and answer, which has been cleared with MOD; *- the reply is rather harsh. We must indicate that we take the Reports & findings very seriously*
- ✓ ii. a draft of a letter for the Prime Minister to send to the Leader of the Opposition;
- ✓ iii. a draft of a letter for you to send to Lord Diplock on the morning of publication.

3. I also promised advice on the substance of the Report and my recommendations for action.

4. Background

The Security Commission investigation followed the discovery in 1979 that a large number of magnetic tape cassettes, which had been used in the MOD to record highly classified information, had apparently been missing since early 1978. When Wagstaff, a Ministry of Defence employee, was questioned in Germany he admitted stealing some of the cassettes. Five were recovered during a search of his flat. He was subsequently charged with an offence under the Official Secrets Act.

5. Under the arrangements first announced by the then Prime Minister in 1969 and later modified, the Chairman of the Security Commission was consulted, and following his agreement and that of the then Leader of the Opposition, the Prime Minister asked the Security Commission on 23 June 1980 to investigate and report upon the circumstances and upon any related failure of departmental security arrangements or neglect of duty and, in the light of its investigation, to advise whether any change in security arrangements is necessary or desirable. With the agreement of the Leader of the Opposition, no announcement was





made at that time because the matter was sub judice. On 28 August the Attorney General instructed the Director of Public Prosecutions to terminate the criminal proceedings against Mr Wagstaff. The Security Commission investigation continued although, by agreement with the Leader of the Opposition, the announcement was delayed until it could no longer impair the investigation. The announcement took the form of a written answer on 18 December 1980.

6. Because of the meagre evidence and the time which had elapsed before their investigation, the Commission was unable to determine what became of the majority of the cassettes, but concludes that they were probably lost within the Ministry. It accepts that espionage involvement was highly unlikely; but, without attributing blame to named individuals, finds that there were extensive breaches of security regulations within the MOD. It finds that one of the factors which gave rise to the security lapses was probably the lack of specific security guidance on the handling of magnetic tapes which under the regulations then current were simply assimilated to classified documents. It accepts, however, that the specific and detailed regulations subsequently drawn up by the MOD are adequate. It recommends that the Official Committee on Security, of which I am Chairman, should institute a study of the special protective security problems involved in the introduction of new technologies to deal with classified information. The aim would be to issue clear inter-departmental guidance both covering the technologies which are already in use in Government Departments and also providing for new technologies to be monitored as they arise.

7. The Commission also considers (paragraph 16 of its Report) that the case was throughout not pursued in the Ministry of Defence with the energy that it deserved. It is not altogether clear what the Commission has in mind here; but the stricture must, I think, apply to the failure to pursue the possibility of a loss when it first became apparent in 1978. Paragraph 10 of the Report shows that energetic action was taken by the Security authorities of the Ministry as soon as they became aware that some tapes might be missing.

#### Recommendations

8. In my view the problems arising from developments in Word Processing and other automated systems for data processing and communications in the office environment are closely related to those of computer security. The Permanent Sub-Committee on Computer Security, which ultimately reports to the Official Committee on Security, has recently recognised this by proposing that its terms of reference should be extended to include office automation security. If the Prime Minister agrees, therefore, I propose that the terms of reference and membership of this Sub-Committee should be reviewed so that it can reflect the technological expertise which will be necessary to carry out the Commission's recommendations

A need  
not





and represent the interests of those Departments most concerned with technological developments in the security information area. The Security Policy and Methods Committee, which is responsible for issuing inter-departmental guidance on physical security, would be invited as a matter of urgency to consider any recommendations the new Sub-Committee might have and to issue instructions where they are needed.

9. The other comments of the Commission are primarily aimed at matters concerning personnel management within the MOD. Some of the staff involved have now left the Ministry (Wagstaff himself resigned in January 1980 soon after completion of the MOD Police investigation). Those who are still employed in the Ministry are acutely aware of the security lapses which took place 3 years ago. There has not only been a thorough Police investigation, but many of the staff have been called as witnesses to be questioned by the Security Service on behalf of the Security Commission. I understand from Sir Frank Cooper that he has decided to take no specific disciplinary action against any of the individuals involved.

*This is why it may occur again.*  
*what?*  
 10. In another context (not the MOD) a series of minor lapses in observing existing security regulations have been drawn to my attention, and, if the Prime Minister agrees, I will invite the Security Policy and Methods Committee to discuss whether there is evidence of any Service-wide laxity in physical security, and to recommend what should be done about it.  
*No action. Seems to occur too often.*

### Conclusions

11. If the Prime Minister agrees, therefore, I suggest that the Government should acknowledge the criticisms (although the events in question in fact took place during the previous Administration) and accept the Commission's recommendations, and that the Prime Minister should assure the House that appropriate steps have been taken to deal with these matters.

*AB*

IAN BANCROFT  
 1 May 1981



DRAFT OF A LETTER FROM THE PRIME MINISTER TO SEND TO  
THE LEADER OF THE OPPOSITION

I last wrote to you on 25 November 1980 about the investigation by the Security Commission into the case involving Mr Wagstaff, a former Executive Officer in the Ministry of Defence. The Commission reported on 2 April; I attach a copy of their report, which makes a number of criticisms concerning the behaviour of members of staff of the Ministry of Defence during events which took place before this Government took office. It also criticises the Ministry in respect of the management of Wagstaff, the regulations which were in force at the time, and the delay in investigation, and recommends that the Official Committee on Security should take steps to ensure that security regulations at present and in future are designed to cope adequately with advances in the technology for handling classified information.

In accordance with the arrangements announced in 1969 and subsequently modified, I will publish the Report. But I should be grateful for your agreement to a minor amendment in the published version to follow precedent and avoid specific reference to the Official Committee on Security by substituting "the responsible officials". Lord Diplock, the Commission Chairman, has agreed to this change.

I propose to acknowledge the criticisms and have already taken steps to implement the recommendations. I should like to follow the practice normal in such cases and make the announcement by way of a written Question and Answer on 8 May.

I hope you can agree to proceed in this way and to put down in due course a written Question that I could answer on the lines of the attached draft. If you are content, my office will make the necessary arrangements.



CONFIDENTIAL

The Rt Hon the Lord Diplock

The purpose of this letter is simply to let you know that the Security Commission Report on the Wagstaff case will be published this afternoon. The Prime Minister will make an announcement to the House by means of the attached written Question and Answer which have been agreed with the Leader of the Opposition.



A

Question: To ask the Prime Minister whether the Security Commission has yet reported on the case of Mr Wagstaff; and when the Commission's report will be published?

1980

DRAFT ANSWER: I announced on 18 December that I had asked the Security Commission on 23 June to investigate and report upon the circumstances in which John Barry Wagstaff, a former Executive Officer in the Ministry of Defence, had been charged with an offence under the Official Secrets Act, and upon any related failure of departmental security arrangements or neglect of duty and, in the light of its investigation, to advise whether any change in security arrangements is necessary or desirable.

on 2 April 1981

~~On 2 April~~ The Security Commission reported to me. Copies of their Report are available in the Vote Office. The Commission concludes that breaches of security regulations had occurred but that any involvement with espionage is highly unlikely. It recommends that revised guidance should be issued on the handling within Government departments of classified information processed under new technologies. The Government accepts the Commission's findings and has taken appropriate action to implement its recommendations.

Too careful  
in view of  
the very  
critical nature  
of the report  
(MOI).





Security

Rth

10 DOWNING STREET

9 April, 1981

*From the Principal Private Secretary*

B/F 15/4

Security Commission: Wagstaff

I have shown the Prime Minister Sir Ian Bancroft's minute of 7 April, and she has noted that he will be letting her have advice on the substance of the Security Commission's Report on the Wagstaff case in due course.

In the meantime she has written to Lord Diplock on the lines of the draft attached to Sir Ian Bancroft's minute (copy attached). I also attach copies of letters she has sent to Lord Bridge, Lord Greenhill and Admiral Law, to whom she decided to write separately thanking them for their part in the Commission's investigation into the Wagstaff case.

G.A. WHITMORE

J G Colman, Esq  
Civil Service Department





10 DOWNING STREET

THE PRIME MINISTER

9 April, 1981.

Dear Lord Diplock,

I am writing to express my appreciation to you and the other members of the Security Commission who worked with you on the investigation into the Wagstaff case for the very thorough report which you submitted to me on 2 April.

I recognise that this must have been a difficult investigation, not least because of the length of time which had elapsed since the events in question took place.

I will be announcing the Government's response to your recommendations in due course.

I am writing in similar terms to Lord Bridge, Lord Greenhill and Admiral Sir Horace Law.

Yours sincerely,

(SGD) MT

The Rt. Hon. The Lord Diplock





10 DOWNING STREET

THE PRIME MINISTER

9 April, 1981.

Dear Lord Bridge,

I am writing to express my appreciation to you and your colleagues on the Security Commission for the very thorough report on the Wagstaff case which was submitted to me a few days ago.

I recognise that this must have been a difficult investigation, not least because of the length of time which had elapsed since the events in question took place.

I will be announcing the Government's response to the Commission's recommendations in due course.

Yours sincerely,

(SGD) MT

The Rt. Hon. The Lord Justice Bridge

20





10 DOWNING STREET

THE PRIME MINISTER

9 April, 1981.

Dear Lord Greenhill,

I am writing to express my appreciation to you and your colleagues on the Security Commission for the very thorough report on the Wagstaff case which was submitted to me a few days ago.

I recognise that this must have been a difficult investigation, not least because of the length of time which had elapsed since the events in question took place.

I will be announcing the Government's response to the Commission's recommendations in due course.

Yours sincerely,

(SGD)

MT

The Lord Greenhill of Harrow, G.C.M.G., O.B.E.





10 DOWNING STREET

THE PRIME MINISTER

9 April, 1981.

Dear Admiral Law,

I am writing to express my appreciation to you and your colleagues on the Security Commission for the very thorough report on the Wagstaff case which was submitted to me a few days ago.

I recognise that this must have been a difficult investigation, not least because of the length of time which had elapsed since the events in question took place.

I will be announcing the Government's response to the Commission's recommendations in due course.

Yours sincerely,

(SGD) MT

Admiral Sir Horace Law, G.C.B., O.B.E., D.S.C.



CONFIDENTIAL

3

PRIME MINISTER

The Security Commission's report on the Wagstaff case arrived last Thursday. I did not trouble you with it over the weekend but I asked Sir Ian Bancroft for advice on it, as well as for a draft letter for you to send to Lord Diplock thanking him for the report.

Sir Ian Bancroft has replied in the minute below, saying that it will be a little time before he is in a position to be able to give you advice on the substance of the report and on <sup>the</sup> announcement of your response to it. In the meantime he has let us have a draft letter to Lord Diplock. I have had this typed, with some amendments, for your signature. Rather than send the other members of the Security Commission who were involved in the investigation copies of your letter to Lord Diplock, as Sir Ian Bancroft suggested, I think that separate letters would be appreciated, and these are attached too for your signature.

I am still not bothering you with the report itself. I do not think you need read it until you get Sir Ian Bancroft's substantive advice.

—

mt

Jan.

8 April 1981

CONFIDENTIAL





MR C A WHITMORE

SECURITY COMMISSION: WAGSTAFF

Thank you for your minute of 2 April.

... I attach a draft letter from the Prime Minister to Lord Diplock thanking him and his colleagues, who took part in the enquiry, for their Report.

Under the arrangements announced in 1969 and subsequently modified, it is the practice to publish Security Commission Reports as Command Papers on the day that the Prime Minister announces the Government's response to any recommendations. We are therefore, in touch with the Security Service to see if they want to suggest any deletions in the interests of national security (these would have to be agreed with the Commission and cleared with the Leader of the Opposition) and also with HMSO about the arrangements for printing. We will then arrange with you a suitable date for the Prime Minister's announcement - which on this occasion, I suggest, should take the form of a written question to be put down by the Leader of the Opposition and an answer agreed with him.

Meanwhile I will consult Sir Frank Cooper (to whom I am copying this minute) before advising on the substance of the Report.

833

IAN BANCROFT  
7 April 1981



DRAFT OF A LETTER FOR THE PRIME MINISTER'S SIGNATURE TO :

The Rt Hon The Lord Diplock

cc The Rt Hon The Lord Bridge  
Lord Greenhill of Harrow  
Admiral Sir Horace Law

~~SECURITY COMMISSION: WAGSTAFF~~

I am writing ~~at this stage~~ to express my appreciation to you and the other members of the <sup>Security</sup> Commission who/with you on ~~this~~ <sup>the</sup> investigation <sup>the very</sup> for ~~such a~~ thorough report. <sup>which you submitted to me on 2 April.</sup> I recognise that this must have been a difficult ~~and tedious~~ investigation, not least because of the length of time which had elapsed since the events in question took place.

I will be announcing the Government's response to your recommendations in due course.

<sup>writing in similar terms</sup>  
I am ~~copying this letter~~ to Lord Bridge, Lord Greenhill and Admiral Sir Horace Law.

with the  
Wayneff case



85  
76



10 DOWNING STREET

*From the Principal Private Secretary*

SIR IAN BANCROFT

---

THE WAGSTAFF CASE: REPORT OF THE SECURITY COMMISSION

The Prime Minister has now received the Report of the Security Commission on the Wagstaff case. I am not attaching a copy of it since I imagine it is already available to you within the CSD.

I should be grateful for any advice you wish to offer the Prime Minister on the findings of the Report and on what she should say about them in the House.

I think that the Prime Minister should write herself to Lord Diplock to thank him and his colleagues for the work they have done on this case, and if you agree, I should be glad if you would let me have a draft letter.

can

2 April 1981

le



CONFIDENTIAL

B

REPORT OF THE SECURITY COMMISSION

FOREWORD

THE PRIME MINISTER

In your letter of 23 June 1980, you asked the Security Commission to investigate and report upon the circumstances in which John Barry Wagstaff, a former Executive Officer in the Ministry of Defence, had been charged with an offence under the Official Secrets Acts, and upon any related failures of departmental security arrangements or neglect of duty and, in the light of the investigation, to advise whether any change in security arrangements was necessary or desirable.

We have accordingly conducted an investigation and attach our report.

We have been greatly assisted in this investigation by the evidence prepared for us by the Security Service and the Ministry of Defence, and by the Civil Service Department's Central Computer and Telecommunications Agency and Government Communications Headquarters, from whom we sought technical advice. The evidence included interviews with a number of members and former members of staff of the Ministry of Defence. Many of these had been conducted in the initial investigations which led to the charges being brought against Wagstaff. Some further interviews were conducted on our behalf by the Security Service.

Our investigation concerned the possible loss of an indeterminate number of magnetic tapes containing highly classified information from the Ministry of Defence. The charges brought against Wagstaff, which were subsequently withdrawn, involved only a fraction of the number of tapes which are unaccounted for, and our investigation has concentrated on the missing tapes, and the arrangements for their safe keeping, rather than on any part which Wagstaff might have played. We were satisfied that no further information would be

CONFIDENTIAL



CONFIDENTIAL

obtained from Wagstaff other than that which was available from the record of his interviews with the Ministry of Defence Police, and therefore Wagstaff has not been interviewed in the course of our investigation.

*Diplock*

The Rt Hon Lord Diplock

*Bridge of Harwich*

The Rt Hon Lord Bridge of Harwich

*Greenhill of Harrow*

Lord Greenhill of Harrow GCMG OBE

*Horace R Law*

Admiral Sir Horace Law GCB OBE DSC

Civil Service Department  
London SW1

2 April 1981

CONFIDENTIAL



CONFIDENTIAL

REPORT OF THE SECURITY COMMISSION  
SUMMARY OF THE REPORT

In June 1979 it came to light that a number of magnetic tape cassettes, probably between 50 and 120, which had been used in the Ministry of Defence to record highly classified information, were missing.

2. Five of the missing tapes were recovered from Wagstaff, a former member of the Ministry staff, who had had charge of them, and who admitted stealing them for use for his own purposes of recording.
3. The tapes probably disappeared in early 1978. The stale and meagre evidence as to the circumstances did not enable us to determine what became of the remainder, which have never been traced. Most probably they were lost within the Ministry and have since been destroyed or re-used.
4. We accept the considered opinion of the Security Service that any suggestion of espionage involvement is highly unlikely.
5. We find that there were extensive breaches of security regulations in the handling of the tapes.
6. When some employees of the Ministry knew or suspected that the tapes were missing, they failed to report it. We do not find it possible to attribute blame to named individuals other than Wagstaff but in general the case was not pursued by the Ministry with the energy it deserved.
7. The security regulations in force at the material time assimilated the handling of classified tapes to classified documents. This was unsatisfactory and has since been remedied by the promulgation of specific and detailed regulations applicable to the classified recorded material currently in use in the Ministry of Defence.
8. We recommend that the Official Committee on Security should consider what detailed security measures should be applied to the

CONFIDENTIAL



CONFIDENTIAL

handling of classified information recorded by any of the methods currently in use in Government Departments and by any new methods as and when they are introduced.

CONFIDENTIAL



CONFIDENTIAL

REPORT OF THE SECURITY COMMISSION

The Ministry of Defence War Book Tapes

The Ministry of Defence War Book represents a comprehensive series of instructions designed to enable the Department to move effectively and efficiently, during the period immediately leading up to war, on to a war footing. During the period in question it consisted of two volumes, and there was an accompanying volume, the Book of Briefs, which was designed to provide fuller information about some of the measures outlined in the two War Book volumes.

Individual War Book measures attracted classifications of RESTRICTED, CONFIDENTIAL or SECRET. Volume 1 was given the overall classification SECRET; the Book of Briefs was given the overall classification TOP SECRET. Since the beginning of the period in question it has been the responsibility of Defence Secretariat 12 (DS 12) Division of the Ministry of Defence to organise and effect the distribution of the Ministry of Defence War Book and the Book of Briefs, to ensure that it is kept up-to-date by issuing amendments from time to time when required by operational divisions to do so, and in particular to ensure that it is up-to-date when exercises are held.

2. Prior to November 1975 the War Book had been updated manually. But at this time, for reasons of efficiency and economy, the typing division wanted to switch to a new method of updating which involved the transfer of the information to the then new word processing machines, which employed cassettes of magnetic tape. In the light of this, the Executive Officer in DS12 Division, who carried responsibility at the working level for updating and amending the War Book and the Book of Briefs, decided on the change, and from about November of that year sections and portions of sections were fed in piecemeal to the Special Tape Section of Reproduction Services Division (Rep S(T)) for typing and correction. By about February 1976 Volume 1 of the War Book and the Book of Briefs had been stored on magnetic tape in this way, and the tapes were kept by the responsible Executive Officer in DS12. The

CONFIDENTIAL



information was held on the tapes in digital form and could only be played back on an appropriate word processor. When the task was complete, there were probably between 80 and 150 tapes, each in a plastic cassette, and each cassette with a plastic cover.

3. Just after the task had been completed, Mr Wagstaff was moved from his post in the Private Office of the Deputy Under Secretary of State (Policy and Programmes) to succeed as the Executive Officer in DS12 with responsibility for the War Book. There was an exchange of detailed hand-over notes but those were no longer in existence at the time of our investigation. As far as can be ascertained at this stage it would appear most likely that all the magnetic tapes containing the War Book and the Book of Briefs were handed over to Wagstaff intact, although it cannot be ruled out that some of the original tapes may have been returned to Reproduction Services Division.

4. As a result of a decision by Wagstaff, no further use was made of the War Book tapes. Amendments agreed to the War Book in 1976 were typed manually on Wagstaff's instructions by typists allocated to DS12 Division - thus avoiding the use of the word processors. This was accepted by Wagstaff's superior as the best means of keeping an eye on his work which was, in this connection, of an indifferent standard. Indeed, there was some difficulty in producing up-to-date War Books for an exercise which was held at the beginning of 1977, but this was in the end done satisfactorily. It would appear that from the beginning of 1977 no amendments were properly embodied in the War Book until Wagstaff gave up his post.

5. In November 1977, following a management review, it was decided to reorganise DS12 Division, which was heavily loaded. The reorganisation involved a complex switch of responsibilities, but as far as the War Book was concerned, it effectively meant the replacement of the Executive Officer by a Higher Executive Officer, and parallel upgrading of the post of the immediate



CONFIDENTIAL

superior. In November a Higher Executive Officer took up post in DS12, but the War Book was only one of the responsibilities allocated to this post, and Wagstaff was retained on the strength of the Division for a few months, partly because it was considered that his experience would be invaluable as the War Book would be required for an exercise early in 1978.

6. At about Christmas 1977 Mrs Wagstaff purchased a cassette recorder from her brother. Wagstaff has subsequently admitted that he took five cassette tapes from among those containing the War Book, and retained them at home for his private use. These were later recovered from his apartment, and had been in the main over-recorded by pop music and, in one instance, by a German lesson.

7. In February 1978 the War Book was needed for an exercise. Wagstaff was by now frequently engaged on other responsibilities outside the office, and the Higher Executive Officer dealt with War Book matters in his absence. Wagstaff was evasive about the whereabouts of an up-to-date version of the Master Copy of the War Book and, in his absence, it became necessary for the Higher Executive Officer manually to re-compile the War Book, including the intervening amendments which had not been incorporated. Divisional typists, under the supervision of the Higher Executive Officer, typed the new edition.

8. At the same time, the Reproduction Services Division had been asking Wagstaff for the return of the tapes, if they were no longer needed, so that they could be used for other work. The tapes were expensive, and in short supply. Despite a number of approaches, including at least one by the Chief Superintendent of Typists, Wagstaff remained evasive on the whereabouts of the tapes. Eventually he returned at least 30 to Rep S(T), but those involved in the Reproduction Services Division seem to have been clear at the time that the number he had returned represented only a fraction of the original number which had been used to record details of the War Book and the Book of Briefs.

CONFIDENTIAL



CONFIDENTIAL

9. It is not clear whether anyone in DS12 except Wagstaff was at this stage aware that there might be any tapes missing, and it appears to have been assumed by those in Reproduction Services Division that the tapes had been mislaid within DS12 and would turn up at some stage. This was despite the fact that Wagstaff insisted that he had returned them all, and that a search was carried out of Wagstaff's cupboard and an accompanying storeroom, revealing no further tapes. The Chief Superintendent of Typists ordered a number of tapes as replacements in order to meet the growing demand, and on 1 June 1978 Wagstaff was transferred to Headquarters BAOR.

10. There the matter rested until the Ministry of Defence Headquarters Security Division was working, in June 1979, on drafting detailed instructions for the handling of classified material on "stand alone" word processors. An officer from Headquarters Security Division sought the views of Reproduction Services Division during the course of this exercise, and a chance remark during an interview with the Chief Superintendent of Typists drew to his attention that some tapes might be missing. His persistent investigation led to the discovery that a large number of highly classified tapes might be missing, and eventually to the recovery of the five tapes which Wagstaff admitted stealing, from his apartment in Germany.

11. Despite a number of interviews with members of the Ministry of Defence Police, Wagstaff has insisted all along that those five were the only tapes he took, and that he has no idea of the whereabouts of any others that may be missing. No evidence has come from any other source, either during the Police investigation or during our investigation, which throws any further light on the whereabouts of any missing tapes.

12. In the light of our investigation we conclude that there are three possible explanations:

- a. A large number of tapes were taken by Wagstaff for his own use, or for the use of others for domestic purposes, or

CONFIDENTIAL



CONFIDENTIAL

Wagstaff knowingly allowed others to take a large number of tapes;

b. The tapes have been lost within the Ministry of Defence, and have presumably by now been destroyed or re-used in ignorance of what was on them;

c. Other than the five tapes which Wagstaff admits stealing, there were none missing; either those involved have become confused, over the considerable passage of time, on the number that there were originally and the number which were returned, or some were returned at an earlier date, perhaps even before Wagstaff arrived in DS12. Either of these possibilities, or a combination of both of them, could account for the missing tapes.

13. We are satisfied with the considered opinion of the Security Service that the evidence is such that any suggestion of espionage involvement must be considered highly unlikely. In our view, the most likely explanation is that the tapes have been lost within the Ministry of Defence, and although the other possibilities cannot be ruled out, we consider them to be remote.

14. The events described above involve a number of serious breaches of existing security regulations on the part of a number of past and present members of staff of the Ministry of Defence apart from Wagstaff. At the material time security regulations applicable to all Government Departments required that "tapes used to record classified material should be treated as classified documents". In addition Ministry of Defence Security Regulations required that "tapes ... used to record classified information must be safeguarded as classified material" and "documents" were defined in the Regulations to include "any form of recorded information". These provisions were clearly intended to ensure that classified tapes should be subject to the same elaborate security procedures as those prescribed for classified documents. These latter provided for the maintenance of

CONFIDENTIAL



CONFIDENTIAL

appropriate registers of documents, for the recording of all their movements, for their appropriate marking and identification, for the recording of their eventual destruction, for periodic checks to ensure that those procedures were being correctly followed, and for losses or suspected losses to be promptly reported and investigated. There are of course physical differences between documents and cassette tapes or other recording media which may make detailed instructions applicable to the former inapplicable without modification to the latter. But it is clear that in relation to the cassette tapes here in question the requirements of the regulations were totally ignored, possibly because those concerned in the first instance failed to appreciate that the rules relating to classified documents ought to be applied to the new type of classified materials which they were handling. Thus the existence of these cassette tapes was never recorded in the Confidential Documents Register of either the Reproduction Services Division or DS12; no movements of the cassettes between Divisions were ever recorded; the cassettes themselves were not marked in such a way as to identify their contents adequately or to indicate their security classification; when such tapes as were eventually returned to Reproduction Services Division were erased or re-used, the destruction of the classified material they had contained was not recorded. These failures had the inevitable consequence that the periodic checks of classified materials, which we have no reason to think were not properly carried out, failed to reveal the loss of the tapes.

15. The most serious aspect of the matter in our view lay in the failure in early 1978 of those who then had at least strong grounds to suspect that a number of tapes containing highly classified material were missing to report what they knew or suspected to their superiors. It would be extremely difficult at this stage to attribute culpability in this respect to named individuals and we have not attempted to do so. The motive for inaction may have been in part the belief that the responsibility for taking action lay elsewhere. But we think almost certainly

CONFIDENTIAL



that a contributory factor was that by this time it was appreciated that the way in which the tapes had been handled had involved the breaches of security regulations to which we have drawn attention in the foregoing paragraph and that a proper investigation would result in an embarrassing disclosure of these breaches.

16. In general we do not consider that the case was throughout pursued in the Ministry with the energy that it deserved. This derived in part from a debatable belief at all levels that the information on the missing tapes had diminished in importance through the passage of time.

17. Apart from breaches of security regulations it would appear that Wagstaff, before he was posted to DS12, was noted for a degree of irresponsibility in his work. It was, we think, a mistake that he should have been allowed to take responsibility for handling the War Book materials without adequate supervision.

18. Leaving aside the part played by Wagstaff himself, the major responsibility for the loss of the missing tapes must lie with those concerned in the handling of the tapes who failed to apply to them the relevant provisions of the regulations applicable to the handling of classified documents. We recognise, however, that this failure would have been much less likely if, instead of the generality of the regulations assimilating tapes to documents, there had been regulations prescribing clear and detailed security procedures applicable specifically to this kind of recorded classified material. The need to adopt such special security rules had not been appreciated by the Ministry of Defence at the time of the events to which our investigation has been directed. Before our investigation began, however, a new type of "stand alone" word processor recording on discs had supplanted the apparatus recording on the magnetic tape cassettes with which we have been concerned. In relation to the new apparatus the Ministry has promulgated new regulations prescribing fully detailed and specific security procedures which appear to



CONFIDENTIAL

be satisfactory. We are advised, however, that there are a number of new technologies which might provide parallel, but different, security problems; these are described in the annex to this report. We recommend that the Official Committee on Security should institute a study of the special problems involved, with a view to issuing clear inter-departmental guidance on security measures to be applied to classified information stored by any of the means described in the annex, and that that committee should be responsible, on the advice of the Security Service, for issuing further instructions as and when new technologies for the recording of classified information are developed.

CONFIDENTIAL



CONFIDENTIAL

REPORT OF THE SECURITY COMMISSION

ANNEX

TYPES OF MAGNETIC MEDIA

Media for Analogue Recordings

Audio Tapes

Audio Cassettes

Video Tapes

Video Cassettes

Media for Digital Recordings

Computer Tapes

Cassettes for Computers (including word processors)

Fixed Head Magnetic Discs

Exchangeable Disc Packs

Floppy Discs/Diskettes

Magnetic Drums

Data Cartridges (containing spools of wide magnetic tape)

CONFIDENTIAL



cc NTS.

Clay - I mentioned this to you.



HOUSE OF COMMONS  
LONDON SW1A 0AA

MP  
MP 30/11/80  
Discussion with Tom McCaffrey.  
Much of the difficulty in this case arose because the reference to the Security Commission was not preceded by a trial and its attendant publicity. We agree to look at the procedure again when the next case came up. In the meantime Mr McCaffrey saw no reason why Mr Fort should not table the Question which 29 December 1980 will be the vehicle for the Prime Minister's announcement about the results of the Security Commission's inquiry.

PHL  
1/81

From:  
The Office of the  
Leader of the Opposition

Dear Nick,

Following the Question and Answer about Mr. J. B. Wagstaff on 18 December, we agreed that there was a case for looking again at the procedure adopted in the past to make such announcements.

On the Wagstaff occasion, the first intimation to the public was the appearance on the Order Paper of a Question to the Prime Minister in the name of the Leader of the Opposition. For the whole of that day, until the Prime Minister had provided the Written Answer, this office was barraged with such questions as "who is Wagstaff?", and I felt inhibited from giving too much detail and referred people to the Ministry of Defence. You will recall the STANDARD headline and picture that day, which was an example of the kind of thing that happens when insufficient information is provided. This was embarrassing to the Leader of the Opposition's office, as I have no doubt it was to No. 10 and the Ministry of Defence.

I do not wish to challenge long-established practice, but I do think that we ought to consider whether there is a better way of telling Parliament that a case has been referred to the Security Commission.

Perhaps when you have had time to consider the whole question, we might have a word.

Yours sincerely,  
*Tom McCaffrey*

Tom McCaffrey

Nick Sanders, Esq.,  
10 Downing Street.



Foot

Security



10 DOWNING STREET

*From the Private Secretary*

17 December, 1980.

We had a word on the telephone this morning about the Question on the Security Commission which Mr. Foot has already agreed to table. As I told you, all is now clear for the Question to be tabled today, and to receive a Written Answer tomorrow. We should therefore be very grateful if you could arrange for it to go down. I enclose a copy of the text of the Question.

N. J. SANDERS

Sir Tom McCaffrey

JP



MR WHITMORE ✓ *Mark*  
*12/20/80*

Wagstaff

Jeremy Colman tells me that the final interview in connection with the case has been completed. The way is therefore clear for Mr. Foot to put down his PQ.

Thereafter the next event will be the receipt of the Security Commission's report. This is not likely to arrive until some weeks into the New Year.

*MAD*

12 December 1980



CONFIDENTIAL



*Security*

10 DOWNING STREET

*From the Principal Private Secretary*

SIR IAN BANCROFT

SECURITY COMMISSION: WAGSTAFF

Sir Tom McCaffrey telephoned me this afternoon to say that Mr. Foot was content to proceed in the way suggested by the Prime Minister in her letter of 25 November 1980 about the Security Commission's inquiry into the Wagstaff case. In particular he is ready to put down the Written Question when we tell him to do so. No doubt you will let me know when the Security Service have completed their interviews and the way is clear to make the announcement about the Security Commission's investigation.

I am sending copies of this minute to Sir Robert Armstrong, Sir Frank Cooper, Sir Howard Smith and Mr. Nursaw.

*KW*

26 November 1980

CONFIDENTIAL



CONFIDENTIAL



*Security*

10 DOWNING STREET

*From the Principal Private Secretary*

SIR IAN BANCROFT

SECURITY COMMISSION: WAGSTAFF

I have shown the Prime Minister your minute of 20 November 1980 about the Security Commission's inquiry into the Wagstaff case.

The Prime Minister made one or two small changes to the draft letter to Mr. Foot which you submitted with your minute, and I attach a copy of the letter that has now gone to him.

I am sending copies of this minute and of the letter to Mr. Foot to Sir Robert Armstrong, Sir Frank Cooper, Sir Howard Smith and Mr. Nursaw.

*J.W.*

25 November 1980

CONFIDENTIAL



CONFIDENTIAL



10 DOWNING STREET

THE PRIME MINISTER

25 November 1980

*Dear Richard,*

I wrote to Jim Callaghan on 4 June about the case of John Barry Wagstaff, a former Executive Officer in the Ministry of Defence, and following his reply of 9 June, I referred the case to the Security Commission for investigation. At that time Wagstaff was facing a charge under the Official Secrets Act and, in accordance with the usual practice, Jim Callaghan agreed that an announcement to the House should be delayed until the outcome of legal proceedings against Wagstaff was known.

On 28 August, however, the Attorney General informed me that he had decided that it would not be in the public interest to continue with the case against Wagstaff, and he accordingly instructed the Director of Public Prosecutions to terminate the criminal proceedings. The Commission is continuing its investigation, and I shall let you know the outcome and make a statement to the House, when I have their report.

In the normal course of events I would want to inform the House now that the Commission has been asked to investigate the matter. I understand, however, that the investigation has reached

/the stage at which

CONFIDENTIAL



CONFIDENTIAL

-2-

the stage at which a number of those involved are being interviewed, and I believe that it would be sensible to conclude these interviews before making an announcement. This would mean postponing the announcement until early December. Even at that stage it would, of course, be inappropriate for me to make any comments on the case and I should like to follow precedent and make the announcement by way of a written Question and Answer.

I hope that you can agree to proceed in this way and to put down in due course a written Question that I could answer on the lines of the attached draft. I will let you know when the interviews are complete and the way is clear for you to put the Question down. If you are content, my office will make the necessary arrangements.

Yours sincerely  
Raymond Stiller

---

The Right Honourable Michael Foot, M.P.

CONFIDENTIAL



DRAFT WRITTEN QUESTION AND ANSWER

MR. M. FOOT: To ask the Prime Minister: whether she will invite the Security Commission to investigate the case of Mr. J.B. Wagstaff under the procedure announced in the House on 26 March 1969.

THE PRIME MINISTER: Yes. In accordance with that procedure, after consulting the Rt. Hon. Gentleman the then Leader of the Opposition, and in the light of the advice of the Chairman of the Security Commission, I asked the Security Commission on 23 June to investigate and report upon the circumstances in which John Barry Wagstaff, a former Executive Officer in the Ministry of Defence, had been charged with an offence under the Official Secrets Act, and upon any related failure of departmental security arrangements or neglect of duty and, in the light of their investigation, to advise whether any change in security arrangements is necessary or desirable. With the agreement of the Rt. Hon. Gentleman, no announcement was made at that time because the matter was sub judice. On 28 August my Rt. Hon and Learned Friend the Attorney General instructed the Director of Public Prosecutions to terminate the criminal proceedings against Mr. Wagstaff. The Security Commission is still investigating the matter and I will make a further announcement to the House when I have their report.



CONFIDENTIAL

2 pp

Ref. A03618

MR. WHITMORE

km  
2(x)

Security Commission: Wagstaff

below

I have seen a copy of Sir Ian Bancroft's submission of 20th November.

2. I am not sure that the draft letter for the Prime Minister to send to Mr. Foot makes it sufficiently clear that she does not want him to put the Written Question down until the investigations are complete.

3. I suggest that the last paragraph of the draft letter might be amended on one of the two following lines:

either

"I should therefore be grateful if you would agree in due course to put down a Written Question that I could answer on the lines of the attached. I will let you know when the interviews are complete and the way is clear for you to put the Question down. If you are content, my office will make the necessary arrangements"

or (and perhaps preferably)

"When the interviews are complete, I will let you know and will, if I may, suggest a Question which you could put down for Written Answer".

4. It seems slightly curious that we give Mr. Foot a draft Answer as well as the Question; but perhaps that is in line with past precedent in this area.

REA

ROBERT ARMSTRONG

20th November, 1980

CONFIDENTIAL



Prime Minister

See the contents of  
the letter - I have  
marked. I don't  
think understand what  
it means?  
not

On the assumption that you are  
ready to write to Mr Frost as recommended,  
I have had the letter to him typed  
for you to sign. It is attached.  
The amendment to the last paragraph  
of the draft letter was suggested by Sir Robert  
Armstrong. It seems a useful clarification to me.

MR C A WHITMORE

SECURITY COMMISSION: WAGSTAFF

You will recall that the Prime Minister, after consulting the then <sup>Mr</sup> Leader of the Opposition, and in the light of the advice of the Chairman, invited the Security Commission on 23 June to investigate the case of John Barry Wagstaff, a former Executive Officer in the Ministry of Defence, against whom a charge under the Official Secrets Act had been brought. 2/11

The Attorney General decided on 28 August that it would not be in the public interest to continue with the case against Wagstaff and he accordingly instructed the Director of Public Prosecutions to terminate the criminal proceedings.

...  
The Commission has still to report; but under the arrangements announced to the House in 1964 (I attach and side-line the relevant Hansard extracts), the Prime Minister should now make an announcement, since the case is no longer sub judice. It is unprecedented that a security case should come to public notice in this way, since all previous Commission investigations have been made public only after the matters have been discussed in open court. But, even if it were proper to do so, it would be impossible to avoid any embarrassment since the terms of the 1964 announcement are clear that the Commission's report must be published, and this has always been the subject of a Prime Minister's oral statement to the House.

Why?

There is a further point to be considered at this stage. The Commission's investigation has, I understand, reached the stage where a number of interviews are being carried out by the Security Service, acting as agents for the Commission, with those civil servants involved in the events leading up to the arrest. It is the interviewers' view, with which I agree, that any chance that something useful might emerge from these discussions would be prejudiced if the witnesses were to be subject to the pressures of the news media following an announcement. In my view this is a powerful argument for postponing the announcement at least until these interviews are finished. This is at the moment scheduled for 8 December.

Had the charges been dropped before the matter was referred to the Commission, the announcement would normally have been made by way of a written Question tabled by the Leader of the Opposition. In the circumstances, the Prime Minister might agree that the best way forward at this stage would be to invite the Leader of the Opposition to put down a written Parliamentary Question, which can be delayed until the interviews are complete.





An alternative would be to defer the announcement until the Prime Minister received the Commission's report so that she could announce the reference and publish the report simultaneously. But the report is unlikely to be submitted before the end of January, and the Prime Minister may share my view that so long a delay in announcing the reference of the case to the Commission could be interpreted as being discourteous to the House.

*And the longer we defer the more likely there is to be a leak, revealing the existence of the inquiry.*

If the Prime Minister agrees, I attach a draft letter and PQ.

I am copying this minute and the attachments to Sir Robert Armstrong, Sir Frank Cooper, Sir Howard Smith and Mr Nursaw.

*IRB*

IAN BANCROFT  
20 November 1980



CONFIDENTIAL

DRAFT LETTER FOR THE PRIME MINISTER TO SEND TO THE LEADER OF THE OPPOSITION

I wrote to <sup>June</sup> Mr Callaghan on 4 June about the case of John Barry Wagstaff, a former Executive Officer in the Ministry of Defence, and following his reply of 9 June, I referred the case to the Security Commission for investigation. At that time Wagstaff was facing a charge under the Official Secrets Act and, in accordance with the usual practice, <sup>June</sup> Mr Callaghan agreed that an announcement to the House should be delayed until the outcome of legal proceedings against Wagstaff was known.

On 28 August, however, the Attorney General informed me that he had decided that it would not be in the public interest to continue with the case against Wagstaff, and he accordingly instructed the Director of Public Prosecutions to terminate the criminal proceedings. The Commission is continuing its investigation, and I shall let you know the outcome, and make a statement to the House, when I have their report.

In the normal course of events I would want to inform the House now that the Commission has been asked to investigate the matter. I understand however that the investigation has reached the stage at which a number of those involved are being interviewed and ~~that~~ that the press interest which might surround an announcement might well prejudice the chance of these interviews leading to a successful conclusion. In the circumstances I am writing to seek your agreement to postponing any announcement until these interviews are concluded: this is expected to be early in December. Even at that stage it would, of course, be inappropriate for me to make any comments on the case and I should like to follow precedent and make the announcement by way of a written Question and Answer.

I should therefore be grateful if you would agree to put down <sup>course</sup> a written Question that I could answer on the lines of the attached. <sup>in due</sup> If you are content, my office will make the necessary arrangements.

I will let you know when the witnesses are complete and the way is clear for you to put the Question down.

CONFIDENTIAL



DRAFT WRITTEN QUESTION AND ANSWER

MR M FOOT: To ask the Prime Minister: whether she will invite the Security Commission to investigate the case of Mr J B Wagstaff under the procedure announced in the House on 26 March 1969.

THE PRIME MINISTER: Yes. In accordance with that procedure, after consulting the Rt Hon Gentleman the <sup>Min</sup>Hon Leader of the Opposition, and in the light of the advice of the Chairman of the Security Commission, I asked the Security Commission on 23 June to investigate and report upon the circumstances in which John Barry Wagstaff, a former Executive Officer in the Ministry of Defence, had been charged with an offence under the Official Secrets Act, and upon any related failure of departmental security arrangements or neglect of duty and, in the light of their investigation, to advise whether any change in security arrangements is necessary or desirable. With the agreement of the Rt Hon Gentleman, no announcement was made at that time because the matter was sub judice. On 28 August my Rt Hon and Learned Friend the Attorney General instructed the Director of Public Prosecutions to terminate the criminal proceedings against Mr Wagstaff. The Security Commission is still investigating the matter and I will make a further announcement to the House when I have their report.



## DR. ERHARD (VISIT)

~~Q8. Mr. Stonehouse asked the Prime Minister if he will make a statement on his discussions with the Chancellor of the Federal Republic of Germany.~~

**The Prime Minister:** I would refer the hon. Member to the Answer which I gave the hon. Member for Ashfield (Mr. Warbey) on 21st January.

**Mr. Stonehouse:** Is not the Prime Minister aware that it is unsatisfactory that his discussions with Dr. Erhard on Britain's resumption of negotiations to go into the Common Market should remain confidential in view of the public speculation? Will the right hon. Gentleman say whether this was discussed with Dr. Erhard and what assurances he gave?

**The Prime Minister:** No, Sir. Conversations with Prime Ministers and Foreign Ministers of other countries are always confidential.

## SECURITY COMMISSION

**Mr. H. Wilson (by Private Notice)** asked the Prime Minister whether he is in a position to make a further statement about the machinery for dealing with inquiries on security?

**The Prime Minister (Sir Alec Douglas-Home):** I apologise to the House for the fact that this is a rather long statement, but it is important.

In the debate on 16th December I described in outline the Government's proposals for a Standing Security Commission and proposed further consultation with the right hon. Gentleman the Leader of the Opposition.

The right hon. Gentleman and I have had further discussions about this and in the light of them the Government have decided to set up a Security Commission with the following terms of reference:

If so requested by the Prime Minister, to investigate and report upon the circumstances in which a breach of security is known to have occurred in the public service, and upon any related failure of departmental security arrangements or neglect of duty; and, in the light of any such investigation, to advise whether any change in security arrangements is necessary or desirable.

Mr. Justice Winn has agreed to serve as Chairman and the other members will be Lord Normanbrook and Sir Caspar John. The Cabinet Office would provide the Secretary of the Commission.

Before asking the Commission to investigate a particular case, the Prime Minister will consult with the Leader of the Opposition.

Under the terms of reference, the Commission could be called upon to act if there had been a breach of security even though there had been no conviction—perhaps because the individual had fled the country.

Normally, the Commission would sit in private and would examine the witnesses themselves.

Usually, it would be unnecessary for any of the witnesses to be legally represented. But it is impossible to foresee all the circumstances, and the Commission would be authorised to permit a witness to be accompanied by his legal adviser if satisfied that his interests required such protection.

Exceptionally, the Commission might find that they were unable to make progress without powers to compel evidence. In such a case, Parliament would be asked to pass the necessary Resolutions under the Tribunals of Inquiry (Evidence) Act, 1921, to vest the Commission with the powers of that Act for that particular inquiry. The Commission would then proceed in all respects as a Tribunal of Inquiry.

The decision whether to sit in private or in public would be governed by the relevant statutory provision, and the normal procedure for having the case presented by counsel and for allowing legal representation would apply. When legal representation was allowed the Commission would be asked to advise whether an *ex gratia* contribution to the cost of such representation should be made from public funds.

In the ordinary case the Commission would report direct to the Prime Minister. When the Commission had been constituted a Tribunal of Inquiry, the report would formally be submitted to the Home Secretary, as required by the 1921 Act. But in either case the Leader of the Opposition would be consulted by



the Prime Minister when the report was received. The report would be made public to the extent that this was consistent with security considerations.

**Mr. Wilson:** Is the Prime Minister aware that although his answer was a little long, it was undoubtedly for the convenience of the House that he should give a full statement on what has been discussed between us?

I have only one supplementary question. Since the right hon. Gentleman has referred, in circumstances with which I fully agree—and I agree with the whole statement—to the possibility that where further action is necessary to compel witnesses to come forward and to speak the truth it will be necessary to clothe the Commission with the powers of the 1921 Act, will he bear in mind—I have given him notice of this supplementary question—that there is grave concern on both sides of the House about the working of the 1921 Act?

Will the Prime Minister therefore consider the proposal, which we have put forward on a number of occasions, that there should be a Select Committee of the House to review the working of the 1921 Act?

**The Prime Minister:** Yes, Sir. I believe that there is a lot of anxiety and concern. I do not think that the debate in another place produced any new proposal, but nevertheless these matters should be considered; and I will certainly consider them. I should not like to give a firm undertaking today, but I will consider what the right hon. Gentleman has said.

**Mr. Cole:** Would not my right hon. Friend think that in the terms of reference the words

“a breach of security is believed to have occurred”

rather than “is known to have occurred” would cover a wider compass and would seem to be justified by the remainder of his statement?

**The Prime Minister:** I should like to look further at the statement and at what my hon. Friend has said, but I think that the wording covers every possibility.

**Mr. Grimond:** Can the Prime Minister make clear what will be the position of the House, the Press and the broadcast-

ing authorities when a case is referred to the Commission? It will, presumably, be impossible to discuss it in the House or to ask Questions about it. Will it also be impossible for any comment to be made either on the air or through the Press?

**The Prime Minister:** I do not see why the statement which I have made should set any limitation on discussion in this House. I should, however, like to consider the point made by the right hon. Gentleman and give him a considered reply, although I do not see *prima facie* any reason why the statement imposes a limitation.

**Mr. H. Wilson:** I agree with what the Prime Minister has said. Is it not clear that a reference to the Commission, which will not be a judicial tribunal until it is clothed with powers given by this House, would have no effect on the freedom of this House, the Press or broadcasting authorities or anyone else? Could it not be made clear that this body is an administrative Commission and not a judicial tribunal?

Will the Prime Minister, however, consider the point, which bears on the question raised by the right hon. Member for Orkney and Shetland (Mr. Grimond)—it is a point which I have raised with the right hon. Gentleman—that it should be understood that whenever a reference is made to the Commission there will be an announcement of the fact even if it refers to a case which has not become public through prosecution or court proceedings?

**The Prime Minister:** Yes, Sir; there should be an announcement. There is nothing in what I have said today to curtail the rights of Parliament and the Press.

**Mr. Bellenger:** The Prime Minister will be aware of the circumstances of the Vassall case. If matters arise which are not entirely security matters which would be kept secret, will the House have access to any comments or reports by the Commission and be in a position to discuss them, if necessary?

**The Prime Minister:** I would rather that hon. Members read the statement which I have made. On another day we will return to any questions that may interest them. I should not like to



[THE PRIME MINISTER.]  
pursue the matter with supplementary questions just at this moment.

**Mr. Hale:** What would happen if the Commission came to a conclusion at some stage of its inquiry that a criminal offence had been committed? Would it proceed to report or would it refer to the Director of Public Prosecutions the papers, including the voluntary evidence, or what will happen in these circumstances?

**The Prime Minister:** Again, I should like to consider the question and return to it later.

**Mr. Wigg:** In his further consideration of this excellent proposal, will the Prime Minister consider the advisability of drawing upon the experience of the board of inquiry set up under the Army and Naval Discipline Acts and give to the Commission in discharging its administrative functions power to take evidence on oath? This is quite apart from any powers for which the Commission might ask under the Tribunals of Inquiry (Evidence) Act.

*The Prime Minister indicated assent.*

#### MALAYSIA AND INDONESIA

**Mr. Brockway (by Private Notice)** asked the Secretary of State for Commonwealth Relations whether he will make a statement on the present negotiations between Malaysia and Indonesia for a cease-fire on the frontiers of Sarawak and Sabah and when British troops are expected to be withdrawn.

**The Secretary of State for Commonwealth Relations and Secretary of State for the Colonies (Mr. Duncan Sandys):** Through the mediation of Mr. Kennedy, the Presidents of Indonesia and the Philippines and the Prime Minister of Malaysia have agreed to hold a meeting to improve relations between their countries. This meeting will be preceded by a meeting at Foreign Minister level. In addition, there is to be a prior meeting between the Prime Minister of Malaysia and the President of the Philippines.

As a preliminary to these meetings, President Sukarno has issued a cease-fire order to all his forces. However, the

Indonesian Government have explained that it will take about a week for this order to reach those forces which are at present operating across the border in Malaysia.

Since the expression "cease-fire" has been used, it should be emphasised that the Malaysian and British forces have been engaged in a purely defensive rôle and have fired only to repel invaders. Therefore, in present circumstances the question of the withdrawal of British troops does not arise.

Her Majesty's Government warmly welcome the steps which have been announced and they trust that these will lead to the restoration of normal relations between Malaysia and her two neighbours.

**Mr. Brockway:** Is the right hon. Gentleman aware of the degree to which the House will welcome this announcement and of our appreciation of the great services which Mr. Robert Kennedy has carried out in arranging this preliminary settlement? Will the right hon. Gentleman say whether the Government will give the fullest support to the proposals, made by the three Ministers concerned, that the Manila conference should be resumed so that there may be a consideration of the development of a wider confederation for all these areas?

**Mr. Sandys:** I have said that we welcome the announcement that there is to be a meeting between the three heads of Government. I think that we must see how they get on.

**Mr. B. Harrison:** Will my right hon. Friend try to impress on Mr. Kennedy when he is here the need for a guarantee by the American Government of any agreement that is made that full support must be given by the American Government to Malaysia and that we will not have any apparent equivocation by the American Government backing up other countries in the area?

**Mr. Sandys:** I do not want to anticipate the talks that we are to have with Mr. Kennedy.

**Mr. H. Wilson:** Is the right hon. Gentleman aware that we all welcome the announcement that has been made? Is he further aware that we welcome the fact that he has made it clear—as some announcements have not made it



## SECURITY COMMISSION

**Mr. Heath** asked the Prime Minister if he will make a statement on the procedure for references to the Security Commission.

**The Prime Minister:** After consultation with the right hon. Gentleman the Leader of the Opposition, I have revised the procedure for deciding whether or not a case involving a prosecution under the Official Secrets Acts should be referred to the Security Commission. In future, when a breach of security has led to a prosecution, the Chairman of the Security Commission will receive a statement outlining the facts of the case and will be asked to give his opinion on whether an investigation by the Commission would be likely to serve a useful purpose. I will then consult the right hon. Gentleman, taking into account the views expressed by the Chairman of the Commission, before deciding whether or not to refer the case to the Commission.

In any other case of known or presumed breach of security I would decide in the light of the circumstances whether or not its significance warranted my consulting the Chairman of the Security Commission and the right hon. Gentleman on the question whether it should be referred to the Security Commission.

## AGRICULTURE, FISHERIES AND FOOD

### Meat Products (Import)

**Mrs. Ewing** asked the Minister of Agriculture, Fisheries and Food if he will make a statement on the present policy concerning importation of meat products from countries where foot-and-mouth disease is endemic; to what extent restrictions have been removed; what is the present level of imports; and what it was in each of the last five years.

**Mr. John Mackie:** Imports of meat products—as distinct from carcase meat—from countries where we consider foot and mouth disease to be currently endemic are restricted to those fully cooked and processed products which we consider to represent no significant disease risk. There has been no relaxation of restrictions.

Vol. 780

Imports of meat products from such countries in November, December, 1968 and January, 1969 totalled 10.7 thousand tons. In each of the five calendar years 1964 to 1968 they totalled respectively 41,100, 30,700, 33,200, 51,500 and 53,300 tons.

### Grendon, Northamptonshire (Flood Alleviation Work)

**Mr. Harry Howarth** asked the Minister of Agriculture, Fisheries and Food what representations have been made to him by the Welland and Nene River Authority for an increase in its capital expenditure ceiling to enable it to carry out work to alleviate flooding at Grendon, Northamptonshire.

**Mr. John Mackie:** My officials yesterday received a deputation from the Authority. The existing arrangements for grant to river authorities for land drainage works enable each authority to choose on which approved works they will claim grant up to an annual capital expenditure ceiling but do not prevent work from being carried out above this ceiling without grant.

## EDUCATION AND SCIENCE

### Medical Students

**Mrs. Ewing** asked the Secretary of State for Education and Science how many suitably qualified candidates were accepted for courses in the academic year 1968-69 leading to a qualification entitling the holder to practise as a general practitioner or hospital doctor under the National Health Service; and what was the total number of suitably qualified applicants.

**Mr. Edward Short:** The number of candidates accepted for pre-clinical courses in medical schools in Great Britain for the academic year 1968-69 was 2,678. Figures are not available of the total number of candidates who applied; the number who applied through the Universities Central Council on Admission was 6,948. It is not possible to say how many of these candidates were suitably qualified since the requirements of universities vary.

**Mr. Cordle** asked the Secretary of State for Education and Science what estimate he has made of the average cost

2 P 2



Security

file

**CONFIDENTIAL**

ds



**10 DOWNING STREET**

*From the Private Secretary*

3 September 1980

The Prime Minister has seen and noted the Attorney General's memorandum of 28 August about the Wagstaff case.

She has also seen and noted the comments of the Secretary of State for Defence in his minute of 2 September.

I am sending a copy of this letter to David Omand (Ministry of Defence).

**M. A. PATTISON**

<sup>f</sup>  
Jim Nusaw, Esq.,  
Law Officers' Department.

**CONFIDENTIAL**

270



CONFIDENTIAL



MO 23/1

PRIME MINISTER

WAGSTAFF: OFFICIAL SECRETS ACT

Michael Havers sent me a copy of his minute to you of 28th August.

// 2. The decision to prosecute Wagstaff was entirely one for Michael Havers as is his decision not to do so and I would not, of course, wish to make any comment about that. Nor do I wish to engage in any controversy about the case. But I think that I am bound to comment on what Michael has said about the advice he has received from the Ministry of Defence on our damage assessment. I think it would be simplest if I were to send you the enclosed copies of two letters from Sir Frank Cooper to the latter of which Michael refers, and which is the substance of the issue. Both letters, that of 21st May and that of 21st August, make it clear that, although on the face of it the material on the tapes sounded extremely sensitive, the information thus provided was likely to be of limited value to an enemy. The error to which Sir Frank Cooper referred in his letter of 21st August is unfortunate but it did not materially affect the assessment the Ministry of Defence gave earlier to the Director of Public Prosecutions and which was confirmed in the letter of 21st August.

3. I am sending a copy of this minute to the Attorney General.

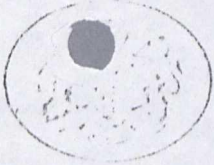
78  
-

Ministry of Defence

2nd September 1980

CONFIDENTIAL





MINISTRY OF DEFENCE

MAIN BUILDING WHITEHALL, LONDON SW1A 2JG

Telephone 01-219 2119 (Days)

01-219 3000 (Evenings)

PERMANENT UNDER SECRETARY OF STATE  
SIR FRANK COOPER GCB C MG

with

PUS/80/472  
54/3

Sir Ian Bancroft GCB  
Civil Service Department  
Whitehall  
LONDON SW1

21 May 1980

*My dear Sir,*

I thought I ought to pick up one point in the Attorney General's letter to you of 16 May.

2. In that letter he comments that, from the list of contents of four of the tapes, as supplied by the Ministry of Defence, there would seem to be certain items that would be of enormous value to an enemy. As you know, our damage assessment arrived at a different conclusion. I can quite see why, from the subject headings, the Attorney General has formed the view that he has: on the face of it the measure titles look extremely sensitive. The War Book pages themselves, however, are much less revealing than the titles alone suggest. Thus, in general, while they do provide a broad description of the measure concerned, it remains my view that that information is of itself likely to be of limited value, and come as no surprise, to an enemy. What the War Book pages do not contain is information about operational plans and capabilities - if they did then they would be as useful to an enemy as the Attorney General suggests.

3. It may be helpful actually to circulate the texts of those of the measures which were ticked in the attachment to the Attorney General's letter and about which he is, I think, particularly concerned. These are attached, together with brief notes about them where these seem useful. You will see from these that the limited information contained is in most cases further devalued by changes in code names and/or numbers as well as in the content of the measures themselves.

4. I am sending copies to the Attorney General and to Robert Armstrong, Brian Cubbon, and Howard Smith.

*Yours ever*  
*Frank Cooper*  
FRANK COOPER



CONFIDENTIAL

MINISTRY OF DEFENCE

MAIN BUILDING WHITEHALL LONDON SW1A 2HB

Telephone 01-218 2119 (Direct Dial no)

01-218 9000 (Switchboard)

PERMANENT UNDER-SECRETARY OF STATE

SIR FRANK COOPER GCB CMG

PUS/80/828

54/3

21 August 1980

The Rt Hon Sir Michael Havers QC MP  
Royal Courts of Justice  
Strand  
London WC2A 2LL

*Dear Attorney General*  
MR J B WAGSTAFF

In my Secretary of State's absence on leave, I am enclosing our response to your letter to him of 25 June, in which you confirmed your request that the assessment of the damage that resulted or might have resulted from Wagstaff's alleged actions should be looked at again from the standpoint of the period between November 1977 and February 1978.

2. The enclosed assessment has been drafted in terms more closely linked to the standard classification system and its definitions than was the assessment which we circulated in April this year. I believe that it also brings out more clearly the extent to which it is legitimate to distinguish between the sensitivity of the War Book or the Book of Briefs as a whole and that of individual constituent items over a period of time. I do not believe, however, that the overall conclusions to be drawn differ materially from those of the earlier assessment.

3. The enclosed assessment also brings out (and you have had a copy of my separate letter to Sir Ian Bancroft about this) that we have now found that we cannot say whether or not the measures which I enclosed with my letter of 21 May to him were contained in the four erased tapes. The most we can say with confidence is that the texts which I then circulated were valid examples of the nature of War Book measures - as indeed are the measures, covered by the unerased tape, which I have enclosed with my latest letter to Sir Ian. I must ask you to accept my apologies for this error.

4. I am copying this letter and enclosure to Sir Ian Bancroft, Sir Robert Armstrong, Sir Thomas Hetherington, and Sir Howard Smith.

*Yours sincerely*  
*Frank Cooper*  
Also copy to  
Treasury Solicitor (Mr Ellis)  
Cdr G R G Middleton, Cabinet Office

FRANK COOPER

CONFIDENTIAL



CONFIDENTIAL

J B WAGSTAFF - SECOND DAMAGE ASSESSMENT

Actual Damage

1. It is not known whether as a result of Wagstaff's activities there has been any actual disclosure of the classified official information to an unauthorised person. The following points are relevant in this connection:

- a. There is no evidence of espionage;
- b. the tapes are meaningless unless played back on the correct word processor; and
- c. Wagstaff is judged to be untidy, badly organised and irresponsible rather than disloyal.

Although the 5 tapes Wagstaff took to his home were left lying around unguarded there is no evidence that they ever left his custody and the material on 4 of them was erased. While therefore the possibility of compromise cannot be excluded, compromise is adjudged unlikely. The potential damage associated with compromise is discussed below.

Potential Damage

2. The definitions of the three security classifications referred to in the following paragraphs are:-

TOP SECRET - Information and material the unauthorised disclosure of which would cause exceptionally grave damage to the nation.

SECRET - Information and material the unauthorised disclosure of which would cause serious injury to the interests of the nation.

CONFIDENTIAL - Information and material the unauthorised disclosure of which would be prejudicial to the interests of the nation.



CONFIDENTIAL

3. The overall classification of the current Ministry of Defence War Books is confirmed as SECRET. There is no reason to doubt the correctness of the overall classification of SECRET when the tapes were made in 1975/early 1976. Although the War Book does not contain specific war plans, it describes in considerable detail the scope of defence planning in the event of a future war. Its disclosure would reveal, directly or by inference, the structure of contingency planning for civil and home defence and for the transition of Government to a war footing, including the arrangements for the maintenance of the machinery of Government in war.

4. Nevertheless, while there is no reason to doubt the correctness of the overall classification of SECRET for the War Book, it is difficult without detailed knowledge of the contents of each tape to assert with confidence that the material on any single tape would by itself have satisfied the description of SECRET or whether, if this had been true at the time the tape was made, it would still have been true after the lapse of two years. The War Book is subject to regular revision in the course of which existing measures may be reviewed and fresh ones introduced: and measures that remain may change in quite significant respects. For example, their serial numbers may change, nicknames and plan numbers may be revised, and details of actions to be taken altered. It follows that the value to an enemy both of a particular version of the War Book as a whole and of at least some individual passages in it will decline over time.

5. Of the five tapes referred to in the charges against Wagstaff the contents of only the one tape which was not erased are known. The contents of this tape include reference to evacuation plans which, although their nicknames and other details have changed,



CONFIDENTIAL

are still classified SECRET. Even here it is difficult to say with confidence that the value of the information on the tape relating to those plans would at January 1978 have fully satisfied the definition of SECRET set out above; nevertheless their disclosure would have involved at least the degree of prejudice to the interests of the nation inherent in the definition of CONFIDENTIAL.

6. Since the inscriptions on the labels of the four erased tapes are believed, by analogy with the one unerased tape, to refer not to War Book measure numbers but to a separate index system that is no longer available, it is not known precisely what measures they contain. As with the one unerased tape, however, the residual value of these tapes would certainly have justified at least a grading of CONFIDENTIAL in January 1978.

7. Wagstaff is not being prosecuted for his negligence in failing to look after other tapes now missing. The total number of tapes that contained Volume I of the War Book and the Book of Briefs is unknown but is unlikely to be less than 80. 30 of these were returned in 1978 and 5 found in Wagstaff's home in 1979. The missing tapes may well not be referred to in court as the charges relate only to the 5 found in Wagstaff's possession. The overall classification of the Book of Briefs at the time the tapes were made is confirmed as TOP SECRET so that had there been unauthorised disclosure of the whole Book of Briefs at that time the damage to the interests of the nation would have been assessed as exceptionally grave. The Ministry of Defence considers that in January 1978 the classification is not likely to have been more than SECRET.

Conclusion

8. The assessment of the damage likely to have resulted from possible disclosure around end 1977/early 1978 of the tapes in respect of which Wagstaff is charged is not considered to differ



CONFIDENTIAL

materially from that contained in paragraph 4 of the assessment  
circulated in April 1980.

CONFIDENTIAL





01-405 7641 Extn 3201

Prime Minister

The Attorney's explanation  
of his decision to drop proceedings.  
Mr Pym's comments are at "A".

 ROYAL COURTS OF JUSTICE  
LONDON, WC2A 2LL

28 August 1980

PRIME MINISTER

## WAGSTAFF - OFFICIAL SECRETS ACT

1. I have had today a long meeting with the DPP, Senior Treasury Counsel at the Old Bailey, the Deputy Under Secretary of State at the MOD, and other officials from the MOD. This follows a letter from the Permanent Under Secretary of State at the MOD, dated 21 August telling me that the damage assessment upon which I based my decision to prosecute was now unreliable. During the course of a long meeting it was apparent that no official from the MOD would be able to give evidence which would prove that the contents of the tapes had contained secret information.
2. The original damage assessment was based upon the identification of the tapes, all of which save one had been wiped clean, which showed beyond doubt grave breaches of the Official Secrets Act. The MOD now tell me that they believe this damage assessment was wrong and they are quite unable to form any firm judgment of the nature of the contents.
3. This is, of course, most unsatisfactory and I regret very much that this information has only come to my notice a few days before the hearing was due to begin but there is nothing that I can do in view of the new information other than to discontinue the prosecution. I still find it difficult to understand how this mistake came to be made. Indeed, it seems to be another example of the lack of security in the MOD over the supervision of these tapes over the past four years. But you will appreciate that I cannot possibly continue the prosecution in these circumstances.
4. There has up to now been no publicity about this case. I do not intend that the defence should be told about my decision until the case comes before the court next Thursday. The lawyers for the defence are well known for their connections with the left wing press and we must expect that there will be some comment about the decision to drop this prosecution. However,

/I feel



SECRET



ROYAL COURTS OF JUSTICE  
LONDON, WC2A 2LL

01-405 7641 Extn

- 2 -

However, I feel the fact that you have ordered a full enquiry by the Security Commission will blunt the force of any criticisms that may be made.

5. I regret very much what has happened but I can only form any judgment upon the information that is given to me and if in the event it proves to be wrong then I have to reconsider my decision accordingly.

6. I am sending a copy of this Memorandum to Francis Pym.

MH  
/



PRIME MINISTER

I sent you a message earlier today about the case of Mr. J.B. Wagstaff. The Attorney General telephoned to inform you that he has decided to drop proceedings under the Official Secrets Act. He has been forced to this decision because of problems with evidence. You may know that crucial tapes have been wiped. The Attorney had established that, through MOD registers, the original contents of the tapes could be established. The Ministry of Defence have now at the eleventh hour advised him that there is no guarantee of accurate reconstruction. He therefore has no firm evidence to produce in court.

Proceedings were due to begin next Thursday. Mr. Wagstaff's lawyers must therefore be informed quickly. The Attorney reports that they are pretty tough operators, and appear to be in close touch with the Time Out/Guardian journalists who take an interest in such matters. This means that there may well be some press interest in the dropping of charges, and the Attorney has asked whether the DPP might take the line that there will be no prosecution because the case is being investigated by the Security Commission.

The Security Commission reference was being kept secret because of the impending trial. There is no particular reason why it need be kept secret any longer and Sir Ian Bancroft's office are attempting to locate Lord Diplock to consult him about the possibility of making the Inquiry known.

If Lord Diplock is content that his Inquiry should no longer be secret, do you agree that the Law Officers may, if necessary, use this in response to press enquiries about the dropping of the prosecution; and subject to the Security Commission aspect being clarified, are you content for the DPP to make the dropping of proceedings known to Mr. Wagstaff's lawyers tomorrow? (If need be, it should be possible to hold this until Monday.)

*We had further discussion from which I understand Lord Diplock would not be content.*

*MP*

28 August 1980



CONFIDENTIAL

*Security*



10 DOWNING STREET

*From the Principal Private Secretary*

MR. COLMAN

SECURITY COMMISSION: MR. J.B. WAGSTAFF

I have already sent you copies of the replies from Lord Greenhill and Admiral Law to the Prime Minister's letter of 10 July inviting them to take part in the Security Commission's investigation into the case of Mr. J.B. Wagstaff.

I now attach a copy of the one outstanding reply — that from Lord Bridge. Is there any more we here need do to help get the enquiry under way?

*J.M.L.*

15 July 1980

CONFIDENTIAL



PERSONAL AND CONFIDENTIAL



Royal Courts of Justice  
Strand  
London WC2A 2LL

15th July, 1980

*Dear Prime Minister*

Security Commission: Mr. J.B. Wagstaff

Thank you for your letter of the 10th July 1980. I had heard from Lord Diplock that I was likely to be invited to serve as a member of the Security Commission on the investigation of the case of John Barry Wagstaff and this I shall be very willing to do. I shall look forward to hearing from the Secretary to the Commission in due course.

*Yours sincerely  
Nigel Bridge*

The Rt. Hon. Mrs. Margaret Thatcher,  
10 Downing Street,  
London S.W.1.

PERSONAL AND CONFIDENTIAL.



TELEPHONE:

01-600 4555

The Lord Greenhill of Harrow GCMG OBE

30, GRESHAM STREET,  
LONDON, EC2P 2EB

*Security*

14th July 1980

1. ~~Copy~~ to Mr. Ashman (CISD)
2. PA.

PERSONAL AND CONFIDENTIAL

*for  
15/7/80*

*Dear Prun Minsler*

Security Commission : Mr. J. B. Wagstaff

Thank you for your letter of the 10th July.  
I shall be happy to serve on the Security Commission  
investigating the above case. I will await a further  
communication from the Secretary to the Commission.

*Yours sincerely*

*Greenhill of Harrow*

The Rt. Hon. Margaret Thatcher, MP  
The Prime Minister,  
10 Downing Street,  
London, SW1.



Personal and Confidential

*Security*

Harting 511

COWPERS

WEST HARTING

PETERSFIELD

GU31 5NT

Saturday 12th July 1980

*R147*

*Dear Pami Purik,*

Security Commission : Mr J.B.Wagstaff

Thank you for your letter of 10th July; I am willing to serve as a member of the Commission and will await instructions from Mr James.

*Your sincere  
Horace L*

1.  Copy to Mr Colman (CWS)

2. PA.

*PLW  
12th July*

ADMIRAL SIR HORACE LAW





Security

10 DOWNING STREET

THE PRIME MINISTER

10 July 1980

Dear Lord Justice Bridge.

Security Commission : Mr. J.B. Wagstaff

In the light of the advice of Lord Diplock, Chairman of the Security Commission, and following consultation with the Leader of the Opposition, I have decided (in accordance with the arrangements announced in 1969) to ask the Security Commission to investigate and report on the case of John Barry Wagstaff. He is a former Executive Officer in the Ministry of Defence, and has been charged with an offence under the Official Secrets Acts. The Commission is also asked to report upon any related failures of departmental security arrangements or neglect of duty.

I understand that Lord Diplock has already spoken to you and I am writing now to ask if you will be willing to serve as a member of the Commission on this investigation. Because it will precede Wagstaff's trial, the investigation will need to be conducted in secret, and there will be no public announcement until the trial is over.

If you agree to serve, the Secretary to the Commission, Mr. P.A. James, will be in touch with you to discuss possible arrangements.

Yours sincerely

Raymond Stobart

The Rt. Hon. The Lord Justice Bridge





10 DOWNING STREET

THE PRIME MINISTER

10 July 1980

*Dear Lord Greenhill,*

Security Commission : Mr. J.B. Wagstaff

In the light of the advice of Lord Diplock, Chairman of the Security Commission, and following consultation with the Leader of the Opposition, I have decided (in accordance with the arrangements announced in 1969) to ask the Security Commission to investigate and report on the case of John Barry Wagstaff. He is a former Executive Officer in the Ministry of Defence, and has been charged with an offence under the Official Secrets Acts. The Commission is also asked to report upon any related failures of departmental security arrangements or neglect of duty.

I am writing now to ask if you will be willing to serve as a member of the Commission on this investigation. Because it will precede Wagstaff's trial the investigation will need to be conducted in secret, and there will be no public announcement until the trial is over.

If you agree to serve, the Secretary to the Commission, Mr. P.A. James, will be in touch with you to discuss the possible arrangements.

*Yours sincerely*  
*Margaret Thatcher*

The Lord Greenhill of Harrow, G.C.M.G., O.B.E.





10 DOWNING STREET

THE PRIME MINISTER

10 July 1980

*Dear Admiral Law,*

Security Commission : Mr. J.B. Wagstaff

In the light of the advice of Lord Diplock, Chairman of the Security Commission, and following consultation with the Leader of the Opposition, I have decided (in accordance with the arrangements announced in 1969) to ask the Security Commission to investigate and report on the case of John Barry Wagstaff. He is a former Executive Officer in the Ministry of Defence, and has been charged with an offence under the Official Secrets Acts. The Commission is also asked to report upon any related failures of departmental security arrangements or neglect of duty.

I am writing now to ask if you would be willing to serve as a member of the Commission on this investigation. Because it will precede Wagstaff's trial, the investigation will need to be conducted in secret and there will be no public announcement until the trial is over.

If you agree to serve, the Secretary to the Commission, Mr. P.A. James, will be in touch with you to discuss possible arrangements.

*Yours sincerely*  
*Harold Wilson*

Admiral Sir Horace Law, G.C.B., O.B.E., D.S.C.



CONFIDENTIAL



10 DOWNING STREET

*From the Principal Private Secretary*

SIR IAN BANCROFT

SECURITY COMMISSION: MR. J.B. WAGSTAFF

Thank you for your minute of 7 July about the Wagstaff case.

I attach copies of the letters which the Prime Minister has now sent to Lord Justice Bridge, Lord Greenhill and Admiral Sir Horace Law inviting them to serve with Lord Diplock on this inquiry.

AWL.

9 July 1980

CONFIDENTIAL



CONFIDENTIAL



MR C A WHITMORE ✓

*MW.  
gri*

SECURITY COMMISSION : MR J B WAGSTAFF

Thank you for your minute of 26 June attaching copies of the correspondence between the Prime Minister, Lord Diplock and yourself.

I attach drafts of letters for the Prime Minister to send to Lord Justice Bridge, Lord Greenhill and Admiral Sir Horace Law, inviting them to serve with Lord Diplock on this investigation.

*JB*

IAN BANCROFT  
7 July 1980

CONFIDENTIAL



PERSONAL AND CONFIDENTIAL

DRAFT LETTER TO:

The Rt Hon The Lord Justice Bridge  
House of Lords  
LONDON SW1A 0PW

SECURITY COMMISSION : MR J B WAGSTAFF

In the light of the advice of Lord Diplock, Chairman of the Security Commission, and following consultation with the Leader of the Opposition, I have decided (in accordance with the arrangements announced in 1969) to ask the Security Commission to investigate and report on the case of John Barry Wagstaff. He is a former Executive Officer in the Ministry of Defence, and has been charged with an offence under the Official Secrets Acts. The Commission is also asked to report upon any related failures of departmental security arrangements or neglect of duty.

2. I understand that Lord Diplock has already spoken to you and I am writing now to ask if you will be willing to serve as a member of the Commission on this investigation. Because it will precede Wagstaff's trial, the investigation will need to be conducted in secret, and there will be no public announcement until the trial is over.

3. If you agree to serve, the Secretary to the Commission, Mr P A James, will be in touch with you to discuss possible arrangements.

PERSONAL AND CONFIDENTIAL



PERSONAL AND CONFIDENTIAL

DRAFT LETTER TO:

The Lord Greenhill of Harrow GCMG OBE  
30 Gresham Street  
LONDON EC2P 2EB

SECURITY COMMISSION : MR J B WAGSTAFF

In the light of the advice of Lord Diplock, Chairman of the Security Commission, and following consultation with the Leader of the Opposition, I have decided (in accordance with the arrangements announced in 1969) to ask the Security Commission to investigate and report on the case of John Barry Wagstaff. He is a former Executive Officer in the Ministry of Defence, and has been charged with an offence under the Official Secrets Acts. The Commission is also asked to report upon any related failures of departmental security arrangements or neglect of duty.

I am writing now to ask if you will be willing to serve as a member of the Commission on this investigation. Because it will precede Wagstaff's trial the investigation will need to be conducted in secret, and there will be no public announcement until the trial is over.

If you agree to serve, the Secretary to the Commission, Mr P A James, will be in touch to discuss the possible arrangements.

PERSONAL AND CONFIDENTIAL



PERSONAL AND CONFIDENTIAL

DRAFT LETTER TO:

Admiral Sir Horace Law GCB OBE DSC  
West Harting  
PETERSFIELD  
Hants

SECURITY COMMISSION : MR J B WAGSTAFF

In the light of the advice of Lord Diplock, Chairman of the Security Commission, and following consultation with the Leader of the Opposition, I have decided (in accordance with the arrangements announced in 1969) to ask the Security Commission to investigate and report on the case of John Barry Wagstaff. He is a former Executive Officer in the Ministry of Defence, and has been charged with an offence under the Official Secrets Acts. The Commission is also asked to report upon any related failures of departmental security arrangements or neglect of duty.

2. I am writing now to ask if you would be willing to serve as a member of the Commission on this investigation. Because it will precede Wagstaff's trial, the investigation will need to be conducted in secret and there will be no public announcement until the trial is over.

3. If you agree to serve, the Secretary to the Commission, Mr P A James, will be in touch with you to discuss possible arrangements.

PERSONAL AND CONFIDENTIAL



CONFIDENTIAL



Security

10 DOWNING STREET

*From the Principal Private Secretary*

SIR IAN BANCROFT

SECURITY COMMISSION: MR J B WAGSTAFF

I attach copies of Lord Diplock's reply to the Prime Minister's letter of 23 June about the Wagstaff case and of my reply to him which I sent after consulting your office.

I am sending copies of this minute and of the attachments to Sir Robert Armstrong, Sir Brian Cubbon, Sir Howard Smith, Sir Frank Cooper and Mr Beckett.

E. A. WHITMORE

26 June, 1980

CONFIDENTIAL

GB



CONFIDENTIAL



10 DOWNING STREET

*From the Principal Private Secretary*

26 June, 1980

Security Commission:Mr J B Wagstaff

The Prime Minister has asked me to thank you for your letter of 24 June, 1980 about the reference to the Security Commission of the Wagstaff case.

She would be very happy for you to associate Lord Justice Bridge with the investigation in the way you propose, if he is available.

**C A. WHITMORE**

The Right Honourable Lord Diplock

CONFIDENTIAL

98



CONFIDENTIAL.



Prime Minister:

To see.

There is no problem  
about it below. If you agree,  
24th June, 1980. J.M. W.

Lord Dylson knows.

J.M.

25 vi

Agreed  
mb

Dear Prime Minister,

Security Commission: Mr. J.B. Wagstaff.

Thank you for your letter of 23rd June, inviting the Security Commission to investigate and report on the above case. I confirm that, in view of the fact that the investigation will precede the trial of Wagstaff, it is appropriate that no public announcement of the investigation should be made before the trial is over.

X | I note that you propose that Lord Greenhill of Harrow and Admiral Sir Horace Law should serve as the other members of the Commission for the investigation and I, of course, agree to this. I should, however, like Lord Justice Bridge to see the papers and sit with us if he is available, so as to give him, as my recently appointed deputy, some experience of how the Security Commission works.

Yours sincerely  
T. P. Lock

The Rt.Hon. Margaret Thatcher, M.P.



CONFIDENTIAL

JS



Security

10 DOWNING STREET

*From the Principal Private Secretary*

SIR IAN BANCROFT

---

Thank you for your minute of 20 June 1980 about the reference of the Wagstaff case to the Security Commission.

The Prime Minister has now written to Lord Diplock on the lines you suggested, and I attach a copy of her letter.

I am sending copies of this minute, and of the attachment, to Sir Robert Armstrong, Sir Brian Cubbon, Sir Howard Smith, Sir Frank Cooper and Mr. Beckett.

HE A. WHITMORE

24 June 1980

KA B

JS





10 DOWNING STREET

THE PRIME MINISTER

23 June 1980

*Dear Lord Diplock.*

Security Commission: Mr. J.B. Wagstaff

In the light of your advice, I have consulted the Leader of the Opposition and have decided, in accordance with the arrangements announced in 1969, to ask the Security Commission to investigate and report upon the circumstances in which John Barry Wagstaff, a former Executive Officer in the Ministry of Defence, has been charged with an offence under the Official Secrets Acts, and upon any related failures of departmental security arrangements or neglect of duty. In the light of the investigation, I should be obliged if you would advise whether any change in security arrangements is necessary or desirable.

In view of the pending criminal proceedings, I assume that you will wish to proceed in secret. I do not propose to make any public announcement until those legal proceedings are complete.

I propose, if you agree, to ask Lord Greenhill of Harrow and Admiral Sir Horace Law to serve with you as the other two members for this investigation.

The Rt. Hon. Lord Diplock

CONFIDENTIAL

*Yours sincerely*  
*Raymond Storer*





Prime Minister

If you are content, would you  
please sign the letter below.

JRB

20 June

MR C A WHITMORE ✓

SECURITY COMMISSION : MR J B WAGSTAFF

Thank you for your minute of 11 June copying to me Mr Callaghan's agreement that this case should be referred to the Security Commission.

... I have now received the Chairman's view on timing and I attach a copy of his letter. I agree with Lord Diplock that the investigation should take place sooner rather than later. The next step is for the Prime Minister to refer the case formally to the Commission and I attach a draft letter to Lord Diplock; as you will see, in accordance with past practice, this also seeks his views on who should serve with him on this investigation. Of the other members, Sir Derek Rayner and Lord Allen of Abbeydale are fully engaged elsewhere. Of the remaining members, I recommend that we should suggest Lord Greenhill and Admiral Sir Horace Law.

When Lord Diplock replies, we will provide further drafts for the Prime Minister to send to the other members. The Commission will, of course, need to sit in secret and will report direct to the Prime Minister. But there should be no announcement about the investigation until the legal proceedings have been completed; and at that stage, the Commission's report, suitably edited if necessary, can be published as a Command Paper.

Mr P A James of CSD will act as Secretary to the Commission and will make the necessary arrangements for accommodation etc.

I am copying this minute to Sir Robert Armstrong, Sir Brian Cubbon, Sir Howard Smith, Sir Frank Cooper and Mr Beckett.

JRB

IAN BANCROFT  
20 June 1980





DRAFT LETTER FOR THE PRIME MINISTER TO SEND TO:

The Rt Hon The Lord Diplock  
House of Lords  
LONDON SW1A 0PW

CONFIDENTIAL

SECURITY COMMISSION : MR J B WAGSTAFF

In the light of your advice, I have consulted the Leader of the Opposition and <sup>have</sup> decided, in accordance with the arrangements announced in 1969, to ask the Security Commission to investigate and report upon the circumstances in which John Barry Wagstaff, a former Executive Officer in the Ministry of Defence, has been charged with an offence under the Official Secrets Acts, and upon any related failures of departmental security arrangements or neglect of duty. In the light of the investigation, I should be obliged if you would advise whether any change in security arrangements is necessary or desirable.

In view of the pending criminal proceedings, I assume that you will wish to proceed in secret. I do not propose to make any public announcement until those legal proceedings are complete.

I propose, if you agree, to ask Lord Greenhill of Harrow and Admiral Sir Horace Law to serve with you as the other two members for this investigation.

CONFIDENTIAL





SECRET.

Dear James

SECURITY COMMISSION: WAGSTAFF.

Thank you for your letter of 13th June, enclosing the various papers about Wagstaff. I see no reason for delaying our enquiry until after Wagstaff's trial. The sooner we get down to it the better, if we are going to undertake to do it at all.

Yours sincerely  
D. P. Loch

P.A. James Esq.,  
Secretary,  
Security Commission.



CONFIDENTIAL



CIVIL SERVICE DEPARTMENT

WHITEHALL LONDON SW1A 2AZ

Telephone 01 273 5400

*Sir Ian Bancroft G.C.B.  
Head of the Home Civil Service*

C A Whitmore Esq  
10 Downing Street  
LONDON SW1

IA.  
km  
16.4.80.

13 June 1980

*Dear Clive,*

MR J B WAGSTAFF

Thank you for your minute of 11 June to Sir Ian Bancroft. I apologise for misleading you about who will advise on the timing of a reference to the Security Commission. To put the record straight, the next moves are as follows.

We have now received from the Director of Public Prosecutions the information for which Lord Diplock had asked. The Secretary to the Security Commission will forward this today to Lord Diplock who will give his view on timing. We will then submit this, with advice and the necessary drafts, for the Prime Minister to refer the case formally to the Commission.

Copies go to Private Secretaries of those who received the earlier correspondence.

*Yours sincerely  
Toby Churchill*

TOBY CHURCHILL  
Assistant Private Secretary

CONFIDENTIAL



covering SECRET

01-405 7641 Ext. 3040

Communications on this subject should  
be addressed to  
THE LEGAL SECRETARY  
ATTORNEY GENERAL'S CHAMBERS

ATTORNEY GENERAL'S CHAMBERS,  
LAW OFFICERS' DEPARTMENT,  
ROYAL COURTS OF JUSTICE,  
LONDON, W.C.2.

Our Ref: 13/17/149

C A Whitmore Esq  
Principal Private Secretary  
No 10 Downing Street  
SW1

12 June 1980

AWJ  
13v

Dear Whitmore,  
R v WAGSTAFF

I note from your letter of 11 June to Sir Ian Bancroft, copied to Bill Beckett, that you understand that the former is waiting for the Attorney General's advice on the timing of the reference to the Commission. This was given in a letter of 16 May (copy attached).

In his letter of 28 May, Lord Diplock asked for further papers before reaching his own decision on timing and these are being supplied to him by the Director of Public Prosecutions via Sir Ian Bancroft to whom this letter is copied.

Yours sincerely  
G J Adams

G J Adams

enc

covering SECRET



SECRET



01-405 7641 Extn

ROYAL COURTS OF JUSTICE

LONDON, WC2A 2LL

16th May 1980

Sir Ian Bancroft, GCB.,  
Civil Service Department,  
Old Admiralty Building,  
Whitehall, SW4A 2AZ

Dear Sir Ian.

I have been shown a copy of your Memorandum to Clive Whitmore of the 13 May about the Security Commission.

In your second paragraph you speak of precedents for awaiting the outcome of legal proceedings. In my view, especially bearing in mind the delay, it would be best to wait until the trial is over.

May I also add that I was anxious to find out what had been on the four tapes before they had been erased.

I enclose a letter from the M.O.D. dated 15 May which sets out the headings on those tapes and makes clear that some of the matters there are still current and graded Secret. You will see from the list of contents that there are certain items which I would imagine would be of enormous value to an enemy.

I felt it right to draw this to your attention bearing in mind paragraph 8 of the Statement of Facts prepared by the M.O.D.

I am copying this Minute and enclosures to Sir Robert Armstrong, Sir Brian Cubbon, Sir Howard Smith and Sir Frank Cooper.

Yours  
Michael Horner.

SECRET



FILE  
**CONFIDENTIAL**



10 DOWNING STREET

*From the Principal Private Secretary*

RH  
BF 26.6.80

SIR IAN BANCROFT

Mr J B Wagstaff

I attach a copy of Mr Callaghan's reply to the Prime Minister's letter of 4 June to him about the Wagstaff case.

The Prime Minister is now ready to refer the case formally to the Security Commission, but I gather that you are still awaiting the advice of the Attorney-General about the precise timing of the reference to the Commission. When you are ready, perhaps you could let me have a draft letter for the Prime Minister to send to Lord Diplock.

I am sending copies of this minute and of Mr Callaghan's letter to Sir Robert Armstrong, Sir Brian Cubbon, Sir Howard Smith, Sir Frank Cooper and Mr Beckett.

A. WHITMORE

11 June, 1980

**CONFIDENTIAL**





10 DOWNING STREET

Prime Minister.



The next step is for you  
formally to refer the case to  
the Security Commission.

pm

10vi





HOUSE OF COMMONS  
LONDON SW1A 0AA

From:

The Rt. Hon. James Callaghan, M.P.

9th June, 1980.

CONFIDENTIAL

*James Callaghan*

Thank you for your letter of 4th June telling me that you are proposing to refer the case of Mr. J.B. Wagstaff to the Chairman of the Security Commission. In the light of the memorandum you have sent to me, I certainly agree that you should do so, and of course inform the House in the usual way once the outcome of the legal proceedings against Wagstaff are known.

On reading the statement by the Ministry of Defence, a number of questions occur to me which I dare say Lord Diplock will wish to enquire into, and I shall be very glad if you can let me know his conclusions in due course.

*for secretary*  
*John Callaghan*

The Rt. Hon. Margaret Thatcher, M.P.



CONFIDENTIAL



*Security*

10 DOWNING STREET

*From the Principal Private Secretary*

SIR IAN BANCROFT

Mr. J.B. Wagstaff

Thank you for your minute of 30 May 1980 about the Wagstaff case.

The Prime Minister has now written to the Leader of the Opposition, as you recommended, and I attach a copy of her letter to Mr. Callaghan (but not of the enclosures to that letter).

I am sending copies of this minute and of the Prime Minister's letter to Sir Robert Armstrong, Sir Brian Cubbon, Sir Howard Smith, Sir Frank Cooper and Mr. Beckett.

**C. A. WHITMORE**

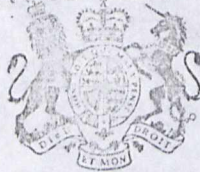
5 June 1980

CONFIDENTIAL

*TR*



CONFIDENTIAL



File  
Security

10 DOWNING STREET

THE PRIME MINISTER

4 June 1980

Dear Sir,

Under the procedures for reference to the Security Commission which the then Prime Minister announced on 25 March 1969 - an extract from the Official Report is attached - I have consulted Lord Diplock, the Chairman of the Security Commission, about a case which has led the Director of Public Prosecutions to bring charges under Section 2 of the Official Secrets Act 1911 against Mr. J.B. Wagstaff, a former employee of the Ministry of Defence.

I attach a copy of a statement of the facts which was prepared by the Ministry of Defence and sent to Lord Diplock. I also attach a copy of his reply. You will see his view that the case raises matters which deserve the attention of the Security Commission.

Subject to any views you may have, I propose to refer the case formally to the Commission. I will await Lord Diplock's advice before coming to any decision on timing. In the usual way I propose to inform the House after the outcome of the legal proceedings against Wagstaff.

Yours sincerely  
James Callaghan

The Right Honourable James Callaghan, MP

CONFIDENTIAL



CONFIDENTIAL

STATEMENT MADE BY THE PRIME MINISTER ON 26 MARCH 1969

"After consultation with the Rt Hon Gentleman, the Leader of the Opposition, I have revised the procedure for deciding whether or not a case involving a prosecution under the Official Secrets Acts should be referred to the Security Commission. In future when a breach of security has led to a prosecution, the Chairman of the Security Commission will receive a statement outlining the facts of the case and will be asked to give his opinion on whether an investigation by the Commission would be likely to serve a useful purpose. I will then consult the Rt Hon Gentleman taking into account the views expressed by the Chairman of the Commission, before deciding whether or not to refer the case to the Commission."

"In any other case of known presumed breach of security I would decide in the light of the circumstances whether or not its significance warranted my consulting the Chairman of the Security Commission and the Rt Hon Gentleman on the question of whether it should be referred to the Security Commission."

CONFIDENTIAL



CONFIDENTIAL

MR. J.B. WAGSTAFF

1. In June 1979 it came to the notice of the Headquarters Security Division in the Ministry of Defence that a number of magnetic tapes containing classified information concerning the Departmental War Book were missing.
2. In November 1975 it had been decided to type on automatic typewriters, using magnetic cassette typing tapes, a revision of Volume I of the MOD War Book consisting of about 200 pages and an assorted Book of Briefs of about 300 pages: the War Book volume and each individual brief were graded Secret but the entire collection of briefs was graded Top Secret. The task was completed in February 1976, and later that month the tapes were handed over to Mr. John Barry Wagstaff, Executive Officer, who joined the Division concerned on 19 February and retained them in his security cupboard. No record of the tapes was kept in the Classified Document Register of either the Division or the Typing Pool.
3. Wagstaff ceased to serve full-time in the Division in November 1977 but did not proceed to his next appointment, in HQ BAOR, until 1 June 1978. On 17 February 1978 an enquiry from the Typing Pool led to the discovery that he could account for only 30 of the tapes, containing only part of the War Book. A further search in April that year revealed no trace of the remainder. The loss was not reported either to the Head of the Division or to the Security Division.
4. On 26 September 1979 Wagstaff was interviewed in Germany by a Detective Superintendent of the Ministry of Defence police, together with Army and MOD security officers, and his quarters were searched. During questioning Wagstaff admitted that he had misappropriated some of the tapes, and during the search five tapes were found. He admitted using the tapes to record music and German lessons in his

CONFIDENTIAL



home. According to his wife, he produced the tapes at home a few weeks after she had purchased a cassette player at about Christmas 1977. Wagstaff was immediately suspended from duty and his access to classified information stopped. Further searches and enquiries, and further questioning of Wagstaff and his wife, have not revealed the whereabouts of the remaining tapes, which are estimated to number about 70. No evidence or suspicion of espionage has been uncovered.

5. Wagstaff was born in Birkenhead on 21 December 1947 and educated at Douai School and the Mid-Cheshire College of Further Education. He served from April to November 1967 as an Officer Cadet in the RAF was discharged as "unlikely to reach the standard required for an officer". He joined the Ministry of Defence as an Executive Officer on 15 July 1968. A Positive Vetting certificate was issued in January 1971, and on 24 May 1972 he became Private Secretary to the Deputy Under-Secretary of State (Policy and Programmes), serving in that position until he moved to Defence Secretariat Division 12 on 19 February 1976. His PV clearance was reviewed in July 1973, March 1976 and March 1977, as a result of reports that his life-style could indicate that he was living above his salary. It was considered, however, that this could be explained by his receiving money from his wealthy (adoptive) parents. His PV clearance remained in force until his suspension from duty in September 1979.

6. On 11 February 1978 in London Wagstaff married Miss Ann Cunningham Patterson, at that time also an Executive Officer in the Department.

7. Wagstaff resigned from the public service with effect from 15 January 1980.

8. The tapes removed by Wagstaff and those which still cannot be accounted for contained no detailed war plans, and probably nothing



CONFIDENTIAL

that hostile intelligence agencies had not already constructed. The material is becoming progressively obsolete, and some of it may be assumed to have been compromised by the NATO secretary, Miss Lorenzen, who defected to East Germany in March 1979.

CONFIDENTIAL



SECRET.



28th May, 1980.

*Dear James*

Security Commission - J.B. Wagstaff.

Thank you for your letters of 21st and 22nd May, and their enclosures.

I think that the Wagstaff case does raise matters which deserve the attention of the Security Commission. There seems to have been a fairly serious breach of security procedures.

With regard to timing, I should like to have particulars of the exact charges proposed to be brought against Wagstaff and copies of his own and his wife's statements to the police, before deciding whether to go ahead with the investigation by the Security Commission without waiting for Wagstaff's trial.

*Yours sincerely*  
*P.A. James*

P.A. James Esq.,  
Secretary,  
Security Commission.





1. Security

Prime Minister

Ready to write to  
Mr Callaghan as in the  
last attempt?

Yes not

HW  
2vi

MR C A WHITMORE

MR J B WAGSTAFF : MOD

Following the Prime Minister's agreement, recorded in your minute of 15 May, I have sought the views of the Chairman of the Security Commission on whether an investigation by the Commission into the circumstances of the WAGSTAFF case would be likely to serve any useful purpose and also on the question of timing.

... I attach a copy of Lord Diplock's letter of 28 May. I agree with his advice that there appear to be matters justifying the attention of the Commission whose primary purpose is, of course, to satisfy Parliament and the public that action has been or will be taken to remedy any defects in security procedures. The next step is for the Prime Minister to consult the Leader of the Opposition and I attach a draft letter. In the light of his comments the Prime Minister can decide whether formally to refer the case to the Commission.

I am taking steps to provide Lord Diplock with the information he has requested in order to give his views on timing, and I will let you have his further advice in due course.

I am copying this minute and enclosures to Sir Robert Armstrong, Sir Brian Cubbon, Sir Howard Smith, Sir Frank Cooper and Mr Beckett.

JBS

IAN BANCROFT  
30 May 1980





SECRET.

28th May, 1980.

*Dear James*

Security Commission - J.B. Wagstaff.

Thank you for your letters of 21st and 22nd May, and their enclosures.

I think that the Wagstaff case does raise matters which deserve the attention of the Security Commission. There seems to have been a fairly serious breach of security procedures.

With regard to timing, I should like to have particulars of the exact charges proposed to be brought against Wagstaff and copies of his own and his wife's statements to the police, before deciding whether to go ahead with the investigation by the Security Commission without waiting for Wagstaff's trial.

*Yours sincerely*  
*H.P. Lock*

P.A. James Esq.,  
Secretary,  
Security Commission.



CONFIDENTIAL ~~COVERING SECRET~~

DRAFT LETTER FOR THE PRIME MINISTER TO SEND TO THE RT HON JAMES  
CALLAGHAN MP

X| Under the procedures for reference to the Security Commission which  
the then Prime Minister announced on 25 March 1969 - an extract from  
the Official Report is attached - I have consulted Lord Diplock, the  
Chairman of the Security Commission, about a case which has led the  
Director of Public Prosecutions to bring charges under Section 2 of  
the Official Secrets Act 1911 against Mr J B Wagstaff, a former  
employee of the Ministry of Defence.

Y| I attach a copy of a statement of the facts which was prepared by  
the Ministry of Defence and sent to Lord Diplock. I also attach  
a copy of his reply. You will see his view that the case raises  
matters which deserve the attention of the Security Commission.

Subject to any views you may have, I propose to refer the case  
formally to the Commission. I will await Lord Diplock's advice  
before coming to any decision on timing. In the usual way I  
propose to inform the House after the outcome of the legal  
proceedings against Wagstaff.

Prime Minister.

The enclosures referred to above at X| and Y| are  
not attached at present; you saw them at an  
earlier stage.

JRL.

CONFIDENTIAL COVERING SECRET



CONFIDENTIAL



*Security*

10 DOWNING STREET

*From the Principal Private Secretary*

SIR IAN BANCROFT

MR. J.B. WAGSTAFF

I have shown the Prime Minister your minute of 13 May 1980 about the case of Mr. J.B. Wagstaff, a former official of the Ministry of Defence, and she agrees that you should proceed as you propose.

I am sending copies of this minute to Sir Robert Armstrong, Sir Brian Cubbon, Sir Howard Smith, Sir Frank Cooper and Mr. Beckett.

C. A. WHITMORE

15 May 1980

CONFIDENTIAL



CONFIDENTIAL

**CONFIDENTIAL**

Prime Minister.

Contract for Sir Jan

Remedy to proceed as he proposes?

Yes not John

MR C A WHITMORE

As you know, the Attorney General has decided that a former official of the Ministry of Defence, Mr J B Wagstaff, should be prosecuted under Section 2 of the Official Secrets Act. Under the procedure announced by the then Prime Minister on 26 March 1969, the facts of this case should be submitted to the Chairman of the Security Commission, Lord Diplock, for his opinion as to whether an investigation by the Commission would be likely to serve any useful purpose. A statement of the facts (copy attached) has been prepared by the Ministry of Defence. If the Prime Minister agrees, I will arrange for this to be referred to Lord Diplock.

14.v.

I would also propose to seek Lord Diplock's views on the timing of any reference to the Commission in this case. The Commission may be asked to begin their examination as soon as the Government are satisfied, or have good reason to think, that a breach of security has occurred - and there is prima facie evidence of a serious breach in this case. But there are also precedents for awaiting developments in, or the outcome of, legal proceedings.

... I attach a note on the terms of reference of the Commission and the detailed procedure. The note explains that I should report and advise on the Chairman's views to the Prime Minister who, after consulting the Leader of the Opposition, can decide whether, and at what stage, to refer the matter to the Commission. No public announcement should be made until the legal proceedings are complete.

I am copying this minute and enclosures to Sir Robert Armstrong, Sir Brian Cubbon, Sir Howard Smith, Sir Frank Cooper and Mr Beckett.

*IRB*

IAN BANCROFT  
13 May 1980

CONFIDENTIAL

**CONFIDENTIAL**



## REFERENCES TO THE SECURITY COMMISSION

The concept of a Security Commission was proposed as a means of satisfying Parliament and the public, when a security case arose, that action would be taken to deal with negligence, or to remedy defects in security procedures, in cases where an official enquiry did not seem adequate but where it was necessary or desirable to invoke the powers of the Tribunals of Inquiry (evidence) Act of 1921. Sir Alec Douglas-Home, when Prime Minister, explained to the House of Commons that "the Prime Minister of the day would decide whether in any particular case they would be asked to enquire into a particular matter"; and that "before asking the Commission to investigate a particular case the Prime Minister would consult with the Leader of the Opposition".

The original terms of reference of the Commission were:

"If so requested by the Prime Minister, to investigate and report upon the circumstances in which a breach of security is known to have occurred in the public service, and upon any related failure of departmental security arrangements or neglect of duty; and, in the light of any such investigation, to advise whether any change in security arrangements is necessary or desirable."

In a statement on 10 May 1965 the then Prime Minister, Mr Wilson, widened these terms of reference to cover circumstances where there might be reason to think that a breach of security had occurred, so that where necessary matters could be referred to the Commission before the completion of legal proceedings.

On 26 March 1969 Mr Wilson announced details of revised procedural arrangements:

"After consultation with the Rt Hon Gentleman, the Leader of the Opposition, I have revised the procedure for deciding whether or not a case involving a prosecution under the Official Secrets Acts should be referred to the Security Commission. In future when a breach of security has led to a prosecution, the Chairman of the Security Commission will receive a statement outlining the facts of the case and will be asked to give his opinion on whether an investigation by the Commission would be likely to serve a useful purpose. I will then consult the Rt Hon Gentleman taking into account the views expressed by the Chairman of the Commission, before deciding whether or not to refer the case to the Commission."

"In any other case of known presumed breach of security I would decide in the light of the circumstances whether or not its significance warranted my consulting the Chairman of the Security Commission and the Rt Hon Gentleman on the question of whether it should be referred to the Security Commission."

The procedure for dealing with these arrangements agreed at that time between the Head of the Civil Service and the Private Secretary to



the Prime Minister remains basically in force to this day although for practical reasons there have been some minor modifications. In a case involving a prosecution under the Official Secrets Acts the Head of the Home Civil Service first informs the Private Secretary to the Prime Minister that the mandatory approach to the Chairman of the Security Commission is being set in hand. The Secretary to the Commission, on behalf of the Head of the Home Civil Service, then consults the Chairman on the basis of a document outlining the facts; it is open to the Chairman at this stage to ask for amplification of any point. The Chairman is asked to give his view on whether the case should be referred to the Commission. He often replies direct to the Prime Minister. In the light of the Chairman's advice the Head of the Home Civil Service reports to the Prime Minister, together with his own advice. Thereafter, the Prime Minister consults the Leader of the Opposition, explaining the advice from the Chairman of the Security Commission and the course which she proposes to take. In the light of any comments made by the Leader of the Opposition, the Prime Minister then decides whether to refer the case to the Security Commission.



MR. J B WAGSTAFF

1. In June 1979 it came to the notice of the Headquarters Security Division in the Ministry of Defence that a number of magnetic tapes containing classified information concerning the Departmental War Book were missing.
2. In November 1975 it had been decided to type on automatic typewriters, using magnetic cassette typing tapes, a revision of Volume I of the MOD War Book consisting of about 200 pages and an assorted Book of Briefs of about 300 pages: the War Book volume and each individual brief were graded Secret but the entire collection of briefs was graded Top Secret. The task was completed in February 1976, and later that month the tapes were handed over to Mr. John Barry Wagstaff, Executive Officer, who joined the Division concerned on 19 February and retained them in his security cupboard. No record of the tapes was kept in the Classified Document Register of either the Division or the Typing Pool.
3. Wagstaff ceased to serve full-time in the Division in November 1977 but did not proceed to his next appointment, in HQ BAOR, until 1 June 1978. On 17 February 1978 an enquiry from the Typing Pool led to the discovery that he could account for only 30 of the tapes, containing only part of the War Book. A further search in April that year revealed no trace of the remainder. The loss was not reported either to the Head of the Division or to the Security Division.
4. On 26 September 1979 Wagstaff was interviewed in Germany by a Detective Superintendent of the Ministry of Defence police, together with Army and MOD security officers, and his quarters were searched. During questioning Wagstaff admitted that he had misappropriated some of the tapes, and during the search five tapes were found. He admitted using the tapes to record music and German lessons in his



home. According to his wife, he produced the tapes at home a few weeks after she had purchased a cassette player at about Christmas 1977. Wagstaff was immediately suspended from duty and his access to classified information stopped. Further searches and enquiries, and further questioning of Wagstaff and his wife, have not revealed the whereabouts of the remaining tapes, which are estimated to number about 70. No evidence or suspicion of espionage has been uncovered.

5. Wagstaff was born in Birkenhead on 21 December 1947 and educated at Douai School and the Mid-Cheshire College of Further Education. He served from April to November 1967 as an Officer Cadet in the RAF but was discharged as "unlikely to reach the standard required for an officer". He joined the Ministry of Defence as an Executive Officer on 15 July 1968. A Positive Vetting certificate was issued in January 1971, and on 24 May 1972 he became Private Secretary to the Deputy Under-Secretary of State (Policy and Programmes), serving in that position until he moved to Defence Secretariat Division 12 on 19 February 1976. His PV clearance was reviewed in July 1973, March 1976 and March 1977, as a result of reports that his life-style could indicate that he was living above his salary. It was considered, however, that this could be explained by his receiving money from his wealthy (adoptive) parents. His PV clearance remained in force until his suspension from duty in September 1979.

6. On 11 February 1978 in London Wagstaff married Miss Ann Cunningham Patterson, at that time also an Executive Officer in the Department.

7. Wagstaff resigned from the public service with effect from 15 January 1980.

8. The tapes removed by Wagstaff and those which still cannot be accounted for contained no detailed war plans, and probably



nothing that hostile intelligence agencies had not already constructed. The material is becoming progressively obsolete, and some of it may be assumed to have been compromised by the NATO secretary, Miss Lorenzen, who defected to East Germany in March 1979.