

TOP SECRET

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Cab 2

Confidential

Sir Robert Armstrong's minute to the
Prime Minister (A0837095) re:
Security case of man called
Dieter Felix Gerhardt.

SECURITY

JANUARY 1983

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
8.9.83							
12.9.83							
22.11.83							
24.11.83							
7.12.83							
19.12.83							
20.12.83							
4.1.84							
19.1.84							
23.1.84							

PREM 19/1 384

file

RM



cc CO

10 DOWNING STREET

THE PRIME MINISTER

23 January 1984

Dear Mr. Leadbitter,

Thank you for your letter of 30 December 1983 about the case of Commodore Gerhardt.

The outcome of his trial in South Africa naturally gave rise to considerable press comment and further speculation about his activities, including suggestions that these had in some way endangered operations in the South Atlantic in 1982. If there was any truth in such suggestions it would of course be a very serious matter. As I said in my letter of 12 December, the security authorities have throughout been alert for any developments which might have implications for national security.

In my letter to you of 20 December 1983 I said that there was absolutely no evidence that Gerhardt might have obtained or disclosed information from British sources on operations in the South Atlantic in 1982. I also explained that no British warships had visited Simonstown since 1974. The Royal Navy made no use of Simonstown in connection with the operations in the South Atlantic in 1982. There are in any case good reasons for believing that Gerhardt would not during the period in question have been able to pass to the Russians any such information, even if he had been able to obtain it from non-British sources.

/I have

da

I have to say that the inquiries that have been made suggest no basis whatever for your surmises that Gerhardt in some way compromised our operations in the South Atlantic; and that I see no need for a Parliamentary statement which could add nothing to what I have already said in answer to Questions.

Yours sincerely

Margaret Thatcher

Ted Leadbitter, Esq., M.P.



Ref. A084/214

MR FLESHER

GT
for *WT*

--- As requested in your letter of
4 January, I attach a draft reply that the
Prime Minister may care to use in response
to the latest letter from Mr Ted Leadbitter
about the Gerhardt case.

M.

R P HATFIELD

19 January 1984

DRAFT LETTER FROM THE PRIME MINISTER TO
TED LEADBITTER ESQ MP

Thank you for your letter of
30 December 1983 about the case of
Commodore Gerhardt.

The outcome of his trial in South
Africa naturally gave rise to considerable
press comment and further speculation about
his activities, including suggestions that
these had in some way endangered operations
in the South Atlantic in 1982. If there
was any truth in such suggestions it would
of course be a very serious matter. As I
said in my letter of 12 December, the
security authorities have throughout been
alert for any developments which might
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evidence that Gerhardt might have obtained
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connection with the operations in the
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case good reasons for believing that Gerhardt would not during the period in question have been able to pass to the Russians any such information, even if he had been able to obtain it from non-British sources.

I have to say that the inquiries that have been made suggest no basis whatever for your surmises that Gerhardt in some way compromised our operations in the South Atlantic; and that I see no need for a Parliamentary statement which could add nothing to what I have already said in answer to Questions.



NR

10 DOWNING STREET

From the Private Secretary

4 January 1984

I attach a further letter the Prime Minister has received from Mr. Ted Leadbitter, MP.

BF

I should be grateful if you could provide a draft reply for the Prime Minister's signature, to reach me by Wednesday 18 January.

TIM FLESHER

Richard Hatfield Esq
Cabinet Office

NR

Filed 4/11
CMA



HOUSE OF COMMONS
LONDON SW1A 0AA

The Prime Minister,
10, Downing Street,
London S.W.1.

30. Dec '83

4/11

Dear Mrs. Thatcher,

I am sorry to write again on the question of Commodore D. Gerhardt. I am sure your previous replies were meant to be helpful.

However, the 17 page indictment against Gerhardt, his conviction, sentence, the importance of the Simonstown base, the significance of the S. Atlantic listening post at Silvermine, the Russian interest and the fact that Argentine was far more informed than expected, combine to suggest that Gerhardt's activities went far beyond 'localised' S. African security and intelligence questions.

The trial was held in camera and I understand the reason for this was the concern of the African authorities about reactions in some countries to what would have been revealed in open court.

Our country's interest is inescapable. We have the third largest navy in the world. It was involved in the greatest battle known in the S. Atlantic. Simonstown was being used.

Exocet missiles were passing through Capetown on the way to Argentine.

Gerhardt is reported as having visited Gibraltar during the conflict.

This man was of the highest importance to Russia. His influence was great. It is inconceivable that he was operating without friends.

Treachery knows no bounds and the higher authority exercising it the more pronounced is the arrogance. We have plenty experience of that in our country to the point where Parliament was of no concern to the betrayers, and history has shown that Home Secretaries and Prime Ministers have been misused and abused.

Is it likely that Gerhardt with all his special naval knowledge and his value to the Russians would be sitting back doing nothing during the Falklands conflict? Is it likely that Russia would have no use at all for their most valued informed who was in the right place at the right time? I think not.



HOUSE OF COMMONS
LONDON SW1A 0AA

We lost far too many fine men out there in the S. Atlantic. There is a duty upon us to be certain they were not betrayed. It is not sufficient for this matter to appear to be settled on the basis 'that there is no evidence to support a view that Gerhardt acted against our interests'.

Advice may have been given to that effect, but this is a very serious matter in which we must be seen to have investigated thoroughly and established with certainty that he did not act against us. Not having the evidence is not quite the same thing as being certain it does not exist.

The gravity of this man's offences, the significance of the U.K involvement in the Falklands, and other factors, does place upon us a grave responsibility. We must find where truth lies.

Men gave up their lives responding to their country's call. For them that was worth the price, but for us that price is too high if they were lost to us in treachery.

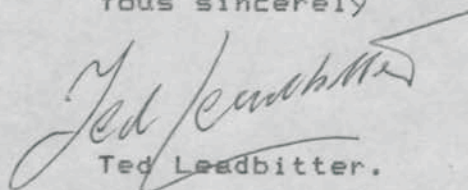
I hope you will consider it right to have the fullest investigation on these lines. The tragic loss of the Sheffield and Coventry, and other shipping, shocked the nation. This was in sharp contrast to the confidence expressed by the Commander of the Fleet at the beginning. We were surprised, shocked, and in serious danger which could only have arisen where Argentine was better informed than we expected.

So I hope you will consider it right to take steps instructing our security services to investigate thoroughly if there is any evidence. Not to have any at the moment is not enough, nor is not having evidence the same as not having knowledge. Our men paid the highest price with their lives responding to their country's call, but that price is too high if treachery was involved. Let us spend some time to be really certain where the truth lies.

I still believe it right that a statement should be made in the House.

As always I value your comments.

Yours sincerely



Ted Leadbitter.



Office TMP
cc CO

10 DOWNING STREET

THE PRIME MINISTER

20 December 1983

Ted Leadbitter

Thank you for your further letter of 6 December about matters relating to the case of Commodore Dieter Gerhardt.

A number of the additional statements you make appeared in a press article on 4 December. This was highly speculative, and I do not propose to comment on it. I can, however, confirm that there is absolutely no evidence or justification for suggestions that Gerhardt may have obtained or disclosed information from British sources on operations in the South Atlantic last year.

In this context may I remind you that no British naval vessels have visited Simonstown since 1974.

*Yours sincerely
Raymond Staiti*

Ted Leadbitter, Esq., M.P.

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Ref. A083/3508

MR FLESHER


pse HJB

I attach a draft reply that the Prime Minister may care to send to Mr Leadbitter's second letter (dated 6 December) concerning Commodore Gerhardt.

COMMONWEALTH OF AUSTRALIA *RP*

R P HATFIELD

19 December 1983



DRAFT LETTER FROM THE PRIME MINISTER TO
TED LEADBITTER ESQ MP, House of Commons

Thank you for your further letter of 6 December about matters relating to the case of Commodore Dieter Gerhardt.

A number of the additional statements you make appeared in a press article on 4 December. This was highly speculative, and I do not propose to comment on it. I can, however, confirm that there is absolutely no evidence or justification for suggestions that Gerhardt may have obtained or disclosed information from British sources on operations in the South Atlantic last year.

In this context may I remind you that no British naval vessels have visited Simonstown since 1974.

MJ
Ack'd 7 12

TF

7 December 1983

Thank you for your minute of 2 December with which you enclosed a draft reply to Mr. ~~Red~~ Leadbitter about the case of Commodore Dieter Gerhardt. The Prime Minister had in fact signed the letter as drafted when a further letter arrived from Mr. Leadbitter. It seems better therefore to reply to both letters at the same time and I should be grateful if you could take the attached further letter into account in preparing a revised draft reply.

TF

Richard Hatfield Esq
Cabinet Office.

Questions?



CMAU

HOUSE OF COMMONS
LONDON SW1A 0AA

The Prime Minister,
10, Downing Street,
Westminster,
London S.W.1.

6th. Dec'83.

Dear Mrs, Thatcher,

ppd

On the 24th, Nov'83 you replied to a written question of mine referring to matters arising from the trial of Commodore Gerhardt.

Your reply stated that Dieter Gerhardt attended three training courses at the Royal Naval Engineering College and other naval establishments between 1956 and 1964, that during the final stages he would have had access to classified information, but now it would be unlikely there would be any value attached to it today. My application to have his spying activities and of course those of any friends of his in this country you were advised was not justified.

I cannot agree with this assessment. Gerhardt is charged in a 17 page document with acts of treason. His trial in S. Africa is being held in camera on the pretext that what is revealed may embarrass certain western countries. We have the third largest naval force in the world and I put it to you we cannot be excluded from the S. African excuse.

Our ships are still using Simonstown in S. Africa and Commodore Gerhardt in his special position there would have some considerable knowledge of of naval forces. He also had access to Silvermine the equivalent of our Communications centre at Cheltenham. It is the security listening post in the South Atlantic and it is known that Moscow was informed from there of our movements in the Falklands war. Indeed during the height of that campaign I am informed that Exorcets were being handled in Capetown for transportation on to Argentina.

M.I. 5 is reported to be making some investigations on a British mole who has been passing on information to the Russians for some years. There is a concern regarding naval classified information and there was some activity during the Falklands conflict. This information allegedly was passed on to Commodore Gerhardt. One report suggests you are concerned about the damage done to our defence secrets by Gerhardt.

Gerhardts activities must have included a working relationship with his friends in this country. No spy can work without them. The strength of this assertion lies in the fact that his master was Captain Zotov who was booted out of Britain last December. Gerhardt visited Gibraltar on more than one occasion just before Argentina invaded the Flaklands.

Reports suggest that our submarine movements in the S. Atlantic were passed on to Moscow then to Argentina.

A reference to the Security Commission surely must be made.

Spies involved Ted Heath was

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CONFIDENTIAL

C/F pp?

Ref. A083/3369

MR FLESHER

As requested in your minute of
21 November I attach a draft reply which the
Prime Minister may care to send to Mr Ted
Leadbitter MP about the Gerhardt case. This
draft was cleared with Sir Robert Armstrong
in Delhi as well as with those concerned in
Whitehall.

R P HATFIELD

2 December 1983

CONFIDENTIAL

CONFIDENTIAL

DRAFT LETTER FROM THE PRIME MINISTER TO
MR TED LEADBITTER MP

Thank you for your letter of 20 November which raised a number of questions relating to the case of Commodore Dieter Gerhardt.

I understand that the charges of espionage on which he is being ~~(was)~~ tried in South Africa relate to South African Government information.

As I said in my reply to your Parliamentary Question on 24 November (OR col 242), Gerhardt attended a number of training courses at Royal Naval establishments between 1956 and 1964. Details of these were given to the House by the Secretary of State for Defence in answer to a Question on 9 February this year. In the later stages of this training Gerhardt would have had access to some classified information. If he was at that time an agent of the Russians it must be assumed that he would have passed them such information but, as I said in my recent Answer, the assessment that has been carried out has confirmed that it is unlikely that this would have much value today.

There is absolutely no foundation for suggestions that Gerhardt may have disclosed British information relating to operations in the South Atlantic last year.

CONFIDENTIAL

I can assure you that the security authorities have kept the appropriate Ministers properly and fully informed of what is known about Gerhardt's activities. I am fully satisfied with the role and performance of the security authorities in this case. They have been and will remain alert for any developments which may have implications for national security.

It would not be appropriate for me to comment further on this or on other related matters which have been the subject of speculation in the press.

24.11.83

Security Commission

Mr. Leadbitter asked the Prime Minister if she will refer to the Security Commission the activities of an individual whose name has been given to her by the hon. Member for Hartlepool; and if she will make a statement.

243

Written Answers

24 NOVEM

Mr. Biffen: I have been asked to reply.

As my right hon. Friend the Secretary of State for Defence told the House on 9 February 1983, Commodore Gerhardt attended three training courses at the royal naval engineering college and other naval establishments between 1956 and 1964. During the final stages of that training, he would have had access to classified information. The assessment of this matter that has been undertaken confirms that any classified information he gained so long ago would be unlikely to have much value today. There is no reason to believe that he has had access to any additional classified information from British sources since that time, and my right hon. Friend does not consider that a reference to the Security Commission would be justified.



10 DOWNING STREET

Mrs Goodchild
MRS GOODCHILD

MR. FLESHER

On Sir Robert Armstrong's advice,
the Prime Minister has agreed that
the reply about Dieter Gerhard
should be on the following lines.

Please check with Cabinet Office
that they see no snags before
going ahead.

*Telephoned
to Downing St.
23/4*

PRIME MINISTER

There is a Written Question down to you, which the Lord Privy Seal will answer, asking whether you will refer the Gerhardt case to the Security Commission. There is also a letter from Dr. David Owen with the same question.

^{subject to final checking with Mr. Henfield}
On ^{the} Sir Robert Armstrong advises ^{that the PM has agreed that} that the reply ^{about Dr. Gerhardt} should be on the following lines:

[insert date] "As my Rt. Hon. Friend, the Secretary of State for Defence, ~~has~~ ^{on [insert date]} told the House, Commodore Gerhardt attended three training courses at the Royal Naval Engineering College and other naval establishments between 1956 and 1964. During the final stages of that training he would have had access to classified information. The assessment of this matter that has been undertaken confirms that any classified information he gained so long ago would be unlikely to have much value today. There is no reason to believe that he has had any access to classified information from British sources since that time, and I do not consider that a reference to the Security Commission would be justified."

Are you content?

—
P.E.R.B
—

23 November, 1983

As my v/h F the S of S for Defence has
told me there are ~~three~~ ^{three}

Commander Gerhardt attended training courses
at the Royal Naval Engineering College and
other naval establishments ~~between January 1956~~
~~and July 1958~~ between 1956 and 1964.

During the first stages of that training he
would have had access to classified

information. ~~It is unlikely that any classified~~
~~information he gained so far~~ The awareness

of this matter has been entertained captions
that any classified information he gained so long
ago would be unlikely to have much value

today. There is no reason to believe that he has

had ^{any} access to classified information from British
sources since that time, and I do not consider

that there is a reference to the Family

Commission is just would be justified.

MR. BUTLER

There is a Question down about the Gerhardt case; ~~about~~ whether the Prime Minister will refer the case to the Security Commission. It has not been *discussed* ~~disclosed~~ before by the PM at Question.

The Lord Privy Seal is to reply to it on ~~your~~ ^{PM's} behalf. Tim Flesher would like clearance on the line to take:-

We are continuing to assert the implications of this matter but
"~~There are no grounds for reference to this.~~ I have nothing to add to the previous reply by ^{myself} the Secretary of State for Defence ~~on the matter.~~ *and I see no grounds*"

Agree for reference to the Security Commission.

MR

MARK KERR

Richard Hatfield

" We ar

23 November, 1983

We are still assessing the implications of this matter. The facts are that Commodore Gerhardt attended training courses at the Royal Naval Engineering College and other naval establishments between January, 1956 and July, 1958; May, 1959 and April, 1960; and August 1962 and August, 1964. During the final stages of his training he would have had access to classified information. It is unlikely that any classified information he gained so long ago would have much value today.

PA

Ref.A083/3322

MR FLESHER


in Questions

I minuted you yesterday with a line to take if the case of Commodore Dieter Gerhardt was raised in the House. Mr Ted Leadbitter MP has subsequently put down a Written Question which I understand relates to the Gerhardt case. I attach a Draft Answer to this Question.

R.P.

R P HATFIELD

22 November 1983



Mr Ted Leadbitter (Hartlepool): To ask the Prime Minister, if she will refer to the Security Commission the activities of an individual whose name has been given to her by the honourable Member for Hartlepool; and if she will make a statement.

DRAFT ANSWER

We are continuing to assess the implications of this matter but I have nothing to add to the reply given by my Rt Hon Friend, the Secretary of State for Defence, on 9 February and I see no reason for a reference to the Security Commission.

Security
Ceshend
Jan 13



CONFIDENTIAL

ACK 21/11

HU

Ted LEADBITTER M.P.

5/12

MR. HATFIELD

I enclose a copy of a letter the Prime Minister has received from Mr. Ted Leadbitter, M.P.

I should be grateful if you could let me have a draft letter for the Prime Minister's signature by Monday 5 December.

Tim Flesher

21 November 1983

HU

CC MA



HOUSE OF COMMONS
LONDON SW1A 0AA

The Prime Mijister,
10, Downing Street,
Westminster,
London S.W.1.

20th. Nov'83.

Dear Mrs. Thatcher,

According to press reports sensitive defence secrets, particularly navy ones, have been sent to the Russians for some years.

This view arises from the present trial of Dieter Gerhardt in South Africa. The sub-judice rules may apply in this circumstance, but the press reports do lead to matters which suggest a statement from yourself as responsible for national security.

Against the background of many years of leaks of intelligence information a statment appears urgent.

Although I am seeking to raise a question in the House recent experience indicates there may be some procedural difficulty. Thus in writing I would hope to obtain a considered reply in respect at least to the following matters ::

1. Is the Government aware of any damage done to this country in the loss of intelligence information of any kind arising from the activities of Diertes Gerhardt ?.

2. Is there any evidence of any treachery arising from D. Gerhardt's activities, directly or indirectly, causing damage or loss of ships, and lives, in the Falkland's campaign ?.

3. Is there any evidence of any intelligence information military or industrial being passed to Moscow by D. Gerhardt (or any of his associates in the U.K.)?

4. Dieter Gerhardt's activities appear to cover many years going back to the 1960s. Has our Security services, in view of the allegation made, provided any report to any Home Secretary or Prime Minister on this man's activities.

5. In a newspaper report a Brian Mosdell, a former Royal Navy Lieutenant- Commander (now solicitor in Devon) states.. "I have never 'intentionally' spied for anyone".. (this in connection with his association with Gerhardt) - apparently he once got a £1000 loan from Gerhardt - he refers to being 'not well off etc.' and adds "Dieter and I got on well together it was a matey relationship". Do these brief circumstances suggest involvement and is it credible that such a relationship and circumstance did not provide an attempt to obtain information or at least a report from Mosdell to the Security Service or his superiors at some point in the past.

6. The exposure of Gerhardt in the light of his years of activity and work in this country suggests the need of some assurance of our own security services role, the extent to which they were alert, reported to the Government, and were in a controlled position in the light of the regular security breaches which were exposed in the period and the general public concern.

Yours sincerely,

Neil Leadbitter

TOP SECRET AND PERSONAL

FILE

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CT



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OF 2 COPIES

10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

Thank you for your minute of 8 September (A083/2542) about the trial of Dieter Felix Gerhardt and his wife, which the Prime Minister has seen and noted.

F. E. R. BUTLER

12 September, 1983

TOP SECRET AND PERSONAL

Ref. A083/2542

MR BUTLER

I reported orally to the Prime Minister on 14 January the confrontation with the South African spy, Dieter Felix Gerhardt, which led to him being sent back to South Africa (my minute of 19 January - A083/0195 refers).

2. The trial of Gerhardt and his wife began in Cape Town on 5 September and is expected to last up to three weeks. There is also to be in Switzerland a trial on espionage charges of a Russian arrested by the Swiss police acting on information deriving from Gerhardt's admissions.

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RETAINED UNDER SECTION 3 (4)
OF THE PUBLIC RECORDS ACT

3. If there are ^{any} ~~no~~ questions about the implications of Gerhardt's activities they can be answered by reference to a reply which the Secretary of State for Defence gave to Arthur Lewis of 9 February (copy attached). There is no indication that current British interests were at risk from Gerhardt's activities, and there is no truth in the speculation that he was able to pass to the Russians intelligence about British operations in the South Atlantic last year.

As
Approved by
ROBERT ARMSTRONG
and signed in his absence

8 September 1983

Hansard, 9 February 1983.

Commodore Dieter Gerhardt

Mr. Arthur Lewis asked the Secretary of State for Defence in view of the fact that Dieter Gerhardt, the South African commodore now awaiting trial on a charge alleging spying for Russia, spent four years at the royal naval engineering college at Manadon, Plymouth, and several other periods at British naval and military establishments, if he will list the total number of times this man has been to the United Kingdom to attend courses and so on; and if he is satisfied that no military secrets damaging to United Kingdom interests were divulged to him.

Mr. Heseltine: We are still assessing the implications of this matter. The facts are that Commodore Gerhardt attended training courses at the royal naval engineering college and other naval establishments between January 1956 and July 1958, May 1959 and April 1960, and August 1962 and August 1964. During the final stages of his training he would have had access to classified information. It is unlikely that any classified information he gained so long ago would have much value today.

Security,
Jan '83, Case
Security Case
involving an unknown
man.

CONFIDENTIAL

File AH



Security

10 DOWNING STREET

From the Principal Private Secretary

SIR ROBERT ARMSTRONG

The Prime Minister has seen and noted your minute of 19 January (A083/0195) about a security case which you mentioned to her.

F.R.B

20 January 1983

CONFIDENTIAL

AH

TOP SECRET AND PERSONAL

Prime Minister

PRIME MINISTER

*I remember
MS*

*I think you will
remember this case. The last
sentence provides the clue if you
do not.*

*FERB
19.1.*

At my meeting with you on 14th January I mentioned to you the details of a security case involving

I said that decisions still remain to be taken as to how the man in question should be dealt with, in the light of his confession.

2. It is clear that, if he were to be simply released, there is a high probability that he would defect. This could be disadvantageous to us, if he was then exploited by his Russian masters for publicity purposes, and it would be difficult to explain to his own authorities why we had released him without telling them anything. It has now been decided that it is not really practicable to allow him to return home and use him as an agent there: he would believe that he might be exposed at any time, and his discretion would remain a continuing risk. It has therefore been decided to return him to his place of origin "under control"; advance warning is being given to the authorities in the country concerned.

**THIS IS A COPY. THE ORIGINAL IS
RETAINED UNDER SECTION 3 (4)
OF THE PUBLIC RECORDS ACT**

Approved by
Robert Armstrong
and signed in his absence.

19th January 1983

TOP SECRET AND PERSONAL

*copy 2 destroyed
21.1.83 DR.*

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